ACORD®

CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY): 08/03/2026

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

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

PRODUCER

Hunter & Associates LLC
15630 Boones Ferry Rd #5
Lake Oswego, OR 97035

CONTACT NAME: Shawn Hunter
PHONE (A/C, No, Ext): (503) 924-2200 FAX (A/C, No): (855) 216-5422
E-MAIL ADDRESS: TeamHunter1@amfam.com
PRODUCER CUSTOMER ID: 148/503

INSURED

Jasper Heights Condominium Association
C/O HOA Assist, LLC.
6438 City West Parkway, Suite 200
Eden Prairie, MN 55344

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Accelerant National Insurance Company	
INSURER B : Hanover Insurance Company	
INSURER C : Great Divide Insurance Company	
INSURER D : Palomar Specialty Insurance Company	
INSURER E :	
INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

14972 NE Rose Pkwy, Portland, OR 97230 20 Buildings - 75 Total Units

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
A	x PROPERTY		N030PK5106-00	07/20/2026	07/20/2027	x BUILDING	$ 32,000,000
	CAUSES OF LOSS	DEDUCTIBLES				x PERSONAL PROPERTY	$ 100,000
	BASIC	BUILDING $25,000				BUSINESS INCOME	$
	BROAD					EXTRA EXPENSE	$
	x SPECIAL	CONTENTS $25,000				RENTAL VALUE	$
	EARTHQUAKE					BLANKET BUILDING	$
	x WIND	$25,000				BLANKET PERS PROP	$
	FLOOD					BLANKET BLDG & PP	$
	x Liability	$0				x Per Occurrence	$ 1,000,000
						x Aggregate	$ 2,000,000
	INLAND MARINE		TYPE OF POLICY				$
	CAUSES OF LOSS						$
	NAMED PERILS		POLICY NUMBER				$
							$
B	x CRIME		BDW-M104412-01	07/20/2026	07/20/2027	x Theft	$ 1,000,000
	TYPE OF POLICY Fidelity					x Forgery	$ 1,000,000
						x Deductible	$ 10,000
A	x BOILER & MACHINERY / EQUIPMENT BREAKDOWN		N030PK5106-00	07/20/2026	07/20/2027	x Coverage	$ 32,717,628
							$
C	Directors & Officers		CM000004596-02	07/20/2026	07/20/2027	x Coverage	$ 1,000,000
						x Deductible	$ 2,500

SPECIAL CONDITIONS / OTHER COVERAGES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Property Coverage is Guaranteed Replacement Cost ; $50k Water /Sewer Deductible Per Unit Included (Shall not exceed 5% of the total Limit of Insurance for Building Coverage)
D) Earthquake Policy #CPDCP-26-1259619-01 with $30,516,482 Coverage 15% EQ Deductible

CERTIFICATE HOLDER

HOA Assist, LLC.
6438 City West Parkway, Suite 200
Eden Prairie, MN 55344

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

Rashae Chin

Arden Insurance Services
201 N. Brand Blvd.
Suite 200
Glendale, CA 91203
Phone: 844-766-8600

BINDER CONFIRMATION

7/31/2026

Rashae Nicholas
American Family Brokerage, Inc.
6000 American Parkway
Madison, WI 53783

RE: Jasper Heights Condominium Association
Policy Term: 7/20/2026 to 7/20/2027
Company: Accelerant National Insurance Company
Policy #: N030PK5106-00

Dear Rashae:

We are pleased to provide the binder confirmation of insurance for Jasper Heights Condominium Association .

The annual Package policy premium is $44,323 with a policy fee of $350. Total premium and Policy fee equal $44,673. Please refer to the attached proposal which clearly outlines the coverages, limits and the associated premium for each coverage.

This binder is based on information received from the applicant. Although the rules and rates shall remain in effect for the applicant for 30 days from the date of this binder letter, the premium quoted is an estimate and is subject to adjustment. All coverage will be subject to the declarations, terms, condition and exclusions of the actual policy. Coverage may be subject to inspection of the premises.

Thank you for this opportunity to serve you and your client.

Sincerely,

Amanda Bonniwell
amanda@ardeninsure.ai

Arden Insurance Services Proposal

Insured			07/31/2026
Jasper Heights Condominium Association-C58957		**Policy:**	
6438 City W Pkwy Suite 200		**FEIN:**	
EDEN PRAIRIE, MN 55344		**e-mail:**	

Description	Explain	**Property**	$38,418.00
Lock Rates Date	07/20/2026	**General Liability**	$5,805.00
Effective Date	07/20/2026	**Additional Insureds**	$100.00
Expiration Date	07/20/2027		
Type of Business	Bind		
Program Name	Community Association Program	**Total**	$44,323.00
		Policy Surcharges and Taxes	
		POLICY TOTAL	**$44,323.00**

Policy Totals Breakdown

Property		Liability		Policy / Other	
Building	$16,484.00	**Premises**	$2,541.00	**Addl Insureds**	$100.00
PersProp & Theft	$193.00	**GL SRP**	$3,014.00		
Business Income	$989.00	**Other**	$250.00		
Prop SRP	$19,948.00				
Other	$804.00				
Total	**$38,418.00**	**Total**	**$5,805.00**	**Total**	**$100.00**

Optional Coverages

Coverage			Line		Premium	
Community Association Enhancement			Liability		$100	[m]
Hired and Non-owned Auto Liability	1,000,000		Liability		$150	

Coverage			Line		Premium
Property Enhancement - Gold			Property		$150
Accounts Receivable			Property	5,000	$0
Computer and Funds Transfer Fraud		1,000	Property	25,000	$0

Computer Equipment, Media and Supplies	500	Property	10,000	$0
Crime Reward		Property	2,500	$0
Debris Removal	25,000	Property	150,000	$0
Electronic Data	1,000	Property	12,500	$0
Elevator Collision		Property	50,000	$0
Employee Theft - Actual Loss Sustained	1,000	Property		$0
Employee Theft - Stated Value	1,000	Property	25,000	$0
Fine Arts	500	Property	25,000	$0
Fire Department Service Charge		Property	5,000	$0
Fire Extinguisher Recharge		Property	500	$0
Forgery or Alteration	1,000	Property	25,000	$0
Lock Replacement		Property	500	$0
Newly Acquired Buildings and Structures	25,000	Property	125,000	$0
Newly Acquired Community Personal Property	25,000	Property	125,000	$0
Newly Constructed Buildings and Structures	25,000	Property	125,000	$0
Ordinance or Law - Demolition Cost	25,000	Property	300,000	$0
Ordinance or Law - Increased Cost of Construction	25,000	Property	300,000	$0
Outdoor Property - Bridges, bulkheads, docks, piers, retaining walls, wharves	500	Property	5,000	$0
Outdoor Property - In-ground sprinkler systems and piping	500	Property	5,000	$0
Outdoor Property - Satellite Dishes and Antennas	500	Property	5,000	$0
Outdoor Property - Trees, Shrubs and Plants	500	Property	10,000	$0
Personal Effects - Per Occurrence		Property	7,500	$0
Personal Effects - Per Person		Property	2,500	$0
Pollutant Clean Up and Removal		Property	12,500	$0
Preservation of Property	25,000	Property	150,000	$0
Property in Transit	25,000	Property	25,000	$0
Property of Others - Per Occurrence		Property	7,500	$0
Property of Others - Per Person		Property	2,500	$0
Property Off Premises	25,000	Property	25,000	$0
Sewer or Drain Backup - Inside the Building	50,000	Property	Included	$0

Sewer or Drain Backup - On the Premises	50,000	Property	Included	$0
Theft of Money and Securities -Inside/Outside the Premises	1,000	Property	7,500	$0
Valuable Papers and Records		Property	12,500	$0

m - Minimum Applies

General Liability Policy Limits

Each Occurrence	1,000,000	**Deductible**	N/A	PD	**Personal/Adv Injury**	1,000,000
General Aggregate	2,000,000	**Medical Payments**	5,000			
Products Aggregate	2,000,000	**Fire Legal**	100,000			

Additional Insureds

Endorsement	Prem
Designated Person or Organization	100

Location 1 Arden Insurance Services Proposal

14810 NE Rose Pkwy	**Property**	$18,320.00
Portland, OR 97230	**Liability**	$2,541.00
Multnomah County	**Total**	$20,861.00

Optional Coverages

Coverage	Line	Exposure	Premium
Equipment Breakdown	Property	32,717,628	$654

Property

Group I	1	**Earthquake**	23	**Property Total**	$17,666.00
				Terrorism Total	$0.00

Property 1 Condominiums - residential - (association risk only) without Mercantile occupanc

Building # 1-20

Class Code	0333 (PP-0333)	**Group II**	B	**Building**	$16,484	**Other**
Construction	Frame			**Contents**	$193	**Legal**
Occupancy	A			**Bus Income**	$989	**Peak Season**
Protection Class	2	**Theft Deduct**	25,000	**Extra Expense**		**Pollutant**
Risk Type	Class	**BCEG**	99	**Ord or Law B**		**Spoilage Coverage**
Inception	( )	**Wind/Hail Excl**	N/A	**Ord or Law Comb**		**Vacancy**
		Year Built	1978	**Debris Removal**		**Inland Marine**
		Number Stories	2	**Earthquake**		**Manual Coverages**
				Total Premium		$17,666

Liability

Territory	501	**Liability Total**	$2,541.00

Filing Date: 12/15/2023 **LC Rate Version: 2/1/2023** **ILF Version: 12/1/2021**

Liability 1	Condominiums - residential - (association risk only)						
	Class Code	62003+	**Occupancy**	A		**Premises**	$1,994
	Exposure	75	**State Category**	1		**Products**	
	Basis	units					
						Total Premium	$1,994

Liability 2	Halls - Other than Not-For-Profit						
	Class Code	44276+	**Occupancy**	S		**Premises**	$255
	Exposure	1,400	**State Category**	1		**Products**	
	Basis	area					
						Total Premium	$255

Liability 3	Swimming Pools - NOC						
	Class Code	48925+	**Occupancy**	S		**Premises**	$292
	Exposure	1	**State Category**	1		**Products**	
	Basis	each pool					
						Total Premium	$292

INVOICE

INVOICE #: 224152

Email: AR@ArdenInsure.AI

Phone: 844-766-8600

Due Date: 08/30/2026

Date: July 31, 2026

Insured: Jasper Heights Condominium Association
6438 City W Pkwy Suite 200
EDEN PRAIRIE, MN 55344

Transaction: New

Effective Date: 07/20/2026

Producer: American Family Brokerage, Inc.

Company: Accelerant National Insurance Company

Line of Business: Package

State: OR

Policy Number: N030PK5106-00

Total Premium Due within 30 days of Effective Date

PREMIUM SUMMARY	
Down Payment 30.00% - Property	$11,525.40
Down Payment 30.00% - General Liability	$1,771.50
Policy Fee	$350.00
TOTAL AMOUNT DUE	$13,646.90

All fees are Fully Earned

No Flat Cancellations

Pay Online via our No-Fee ACH Payment Portal at:
https://ardeninsure.epaypolicy.com/

ACH is the quickest and most secure way to pay. Payments are transferred instantly at no cost, with direct access between your bank and ours. Thanks to our system integration, ACH ensures each transaction is seamless, reliable, and protected.

Other Payment Method - Check Payment. Make Checks Payable To:
ARDEN INSURANCE SERVICES LLC PO BOX 846722 LOS ANGELES, CA 90084-6722

Please include the invoice number and policy number in your remittance. Checks may take 7-10 business days to process due to mailing delay.

A reinstatement fee of $30 is charged to process reinstatement of a policy canceled for non-payment.

A Non-Sufficient Funds fee of $35 may be charged for each check returned for non-sufficient funds.

07/31/2026 12:45:13

arden
INSURANCE SERVICES

INVOICE

INVOICE #: 224153

Email: AR@ArdenInsure.AI

Phone: 844-766-8600

Due Date: 08/30/2026

Date: July 31, 2026

Insured: Jasper Heights Condominium Association
6438 City W Pkwy Suite 200
EDEN PRAIRIE, MN 55344

Transaction: New

Effective Date: 07/20/2026

Producer: American Family Brokerage, Inc.

Company: Accelerant National Insurance Company

Line of Business: Package

State: OR

Policy Number: N030PK5106-00

Total Premium Due within 30 days of Invoice Date

PREMIUM SUMMARY	
Installment # 1 of 8 - Property	$3,361.57
Installment # 1 of 8 - General Liability	$516.69
TOTAL AMOUNT DUE	$3,878.26

All fees are Fully Earned

No Flat Cancellations

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INVOICE

INVOICE #: 224154

Email: AR@ArdenInsure.AI

Phone: 844-766-8600

Due Date: 09/30/2026

Date: July 31, 2026

Insured: Jasper Heights Condominium Association
6438 City W Pkwy Suite 200
EDEN PRAIRIE, MN 55344

Transaction: New

Effective Date: 07/20/2026

Producer: American Family Brokerage, Inc.

Company: Accelerant National Insurance Company

Line of Business: Package

State: OR

Policy Number: N030PK5106-00

Total Premium Due within 30 days of Invoice Date

PREMIUM SUMMARY	
Installment # 2 of 8 - Property	$3,361.57
Installment # 2 of 8 - General Liability	$516.69
TOTAL AMOUNT DUE	$3,878.26

All fees are Fully Earned

No Flat Cancellations

Pay Online via our No-Fee ACH Payment Portal at:
https://ardeninsure.epaypolicy.com/

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A Non-Sufficient Funds fee of $35 may be charged for each check returned for non-sufficient funds.

INVOICE

INVOICE #: 224155

Email: AR@ArdenInsure.AI

Phone: 844-766-8600

Date: July 31, 2026

Due Date: 10/30/2026

Insured: Jasper Heights Condominium Association
6438 City W Pkwy Suite 200
EDEN PRAIRIE, MN 55344

Transaction: New

Line of Business: Package

Effective Date: 07/20/2026

State: OR

Producer: American Family Brokerage, Inc.

Policy Number: N030PK5106-00

Company: Accelerant National Insurance Company

Total Premium Due within 30 days of Invoice Date

PREMIUM SUMMARY	
Installment # 3 of 8 - Property	$3,361.57
Installment # 3 of 8 - General Liability	$516.69
TOTAL AMOUNT DUE	$3,878.26

All fees are Fully Earned

No Flat Cancellations

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Other Payment Method - Check Payment. Make Checks Payable To:
ARDEN INSURANCE SERVICES LLC PO BOX 846722 LOS ANGELES, CA 90084-6722

Please include the invoice number and policy number in your remittance. Checks may take 7-10 business days to process due to mailing delay.

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A Non-Sufficient Funds fee of $35 may be charged for each check returned for non-sufficient funds.

INVOICE

INVOICE #: 224156

Email: AR@ArdenInsure.AI

Date:	July 31, 2026
Insured:	Jasper Heights Condominium Association 6438 City W Pkwy Suite 200 EDEN PRAIRIE, MN 55344

Phone: 844-766-8600

Due Date: 11/30/2026

Transaction:	New	Line of Business:	Package
Effective Date:	07/20/2026	State:	OR
Producer:	American Family Brokerage, Inc.	Policy Number:	N030PK5106-00
Company:	Accelerant National Insurance Company		

Total Premium Due within 30 days of Invoice Date

PREMIUM SUMMARY	
Installment # 4 of 8 - Property	$3,361.57
Installment # 4 of 8 - General Liability	$516.69
TOTAL AMOUNT DUE	$3,878.26

All fees are Fully Earned

No Flat Cancellations

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Other Payment Method - Check Payment. Make Checks Payable To:
ARDEN INSURANCE SERVICES LLC PO BOX 846722 LOS ANGELES, CA 90084-6722

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INVOICE

INVOICE #: 224157

Email: AR@ArdenInsure.AI

Phone: 844-766-8600

Due Date: 12/30/2026

Date: July 31, 2026

Insured: Jasper Heights Condominium Association
6438 City W Pkwy Suite 200
EDEN PRAIRIE, MN 55344

Transaction: New

Effective Date: 07/20/2026

Producer: American Family Brokerage, Inc.

Company: Accelerant National Insurance Company

Line of Business: Package

State: OR

Policy Number: N030PK5106-00

Total Premium Due within 30 days of Invoice Date

PREMIUM SUMMARY	
Installment # 5 of 8 - Property	$3,361.57
Installment # 5 of 8 - General Liability	$516.69
TOTAL AMOUNT DUE	$3,878.26

All fees are Fully Earned

No Flat Cancellations

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Other Payment Method - Check Payment. Make Checks Payable To:
ARDEN INSURANCE SERVICES LLC PO BOX 846722 LOS ANGELES, CA 90084-6722

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07/31/2026 12:45:13

INVOICE

INVOICE #: 224158

Email: AR@ArdenInsure.AI

Phone: 844-766-8600

Due Date: 01/30/2027

Date: July 31, 2026

Insured: Jasper Heights Condominium Association
6438 City W Pkwy Suite 200
EDEN PRAIRIE, MN 55344

Transaction: New

Effective Date: 07/20/2026

Producer: American Family Brokerage, Inc.

Company: Accelerant National Insurance Company

Line of Business: Package

State: OR

Policy Number: N030PK5106-00

Total Premium Due within 30 days of Invoice Date

PREMIUM SUMMARY	
Installment # 6 of 8 - Property	$3,361.57
Installment # 6 of 8 - General Liability	$516.69
TOTAL AMOUNT DUE	$3,878.26

All fees are Fully Earned

No Flat Cancellations

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ARDEN INSURANCE SERVICES LLC PO BOX 846722 LOS ANGELES, CA 90084-6722

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07/31/2026 12:45:13

INVOICE

INVOICE #: 224159

Email: AR@ArdenInsure.AI

Date:	July 31, 2026	Phone:	844-766-8600
Insured:	Jasper Heights Condominium Association 6438 City W Pkwy Suite 200 EDEN PRAIRIE, MN 55344	Due Date:	02/28/2027

Transaction:	New	Line of Business:	Package
Effective Date:	07/20/2026	State:	OR
Producer:	American Family Brokerage, Inc.	Policy Number:	N030PK5106-00
Company:	Accelerant National Insurance Company		

Total Premium Due within 30 days of Invoice Date

PREMIUM SUMMARY	
Installment # 7 of 8 - Property	$3,361.58
Installment # 7 of 8 - General Liability	$516.69
TOTAL AMOUNT DUE	$3,878.27

All fees are Fully Earned

No Flat Cancellations

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Other Payment Method - Check Payment. Make Checks Payable To:
ARDEN INSURANCE SERVICES LLC PO BOX 846722 LOS ANGELES, CA 90084-6722

Please include the invoice number and policy number in your remittance. Checks may take 7-10 business days to process due to mailing delay.

A reinstatement fee of $30 is charged to process reinstatement of a policy canceled for non-payment.

A Non-Sufficient Funds fee of $35 may be charged for each check returned for non-sufficient funds.

arden INSURANCE SERVICES

INVOICE

INVOICE #: 224160

Email: AR@ArdenInsure.AI

Date:	July 31, 2026	Phone:	844-766-8600
Insured:	Jasper Heights Condominium Association 6438 City W Pkwy Suite 200 EDEN PRAIRIE, MN 55344	Due Date:	03/28/2027

Transaction:	New	Line of Business:	Package
Effective Date:	07/20/2026	State:	OR
Producer:	American Family Brokerage, Inc.	Policy Number:	N030PK5106-00
Company:	Accelerant National Insurance Company		

Total Premium Due within 30 days of Invoice Date

PREMIUM SUMMARY	
Installment # 8 of 8 - Property	$3,361.60
Installment # 8 of 8 - General Liability	$516.67
TOTAL AMOUNT DUE	$3,878.27

All fees are Fully Earned

No Flat Cancellations

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The Hanover Insurance Group™

Hanover Executive Advantage Pro

Policy Declarations

NOTICE: THE <u>LIABILITY COVERAGE PARTS</u> PROVIDE CLAIMS-MADE COVERAGE. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMITS OF LIABILITY CAN BE COMPLETELY EXHAUSTED BY DEFENSE EXPENSES AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION. THE INSURER WILL HAVE NO LIABILITY FOR DEFENSE EXPENSES OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

Policy Number:

BDW-M104412-01

The Hanover Insurance Company
440 Lincoln Street
Worcester, Massachusetts 01653
(A Stock Insurance Company, herein called the **Insurer**)

Item 1. Named Insured and Address

Jasper Heights Condominium Association

14810 NE Rose Parkway
PORTLAND, OR 97230

Item 2. Policy Period

Inception Date: 07/20/2026 Expiration Date: 07/20/2027

(12:01 AM standard time at the address shown in Item 1.)

Item 3. Extended Reporting Period

(If exercised in accordance with Section VII. Extended Reporting Period)

Additional Premium: 100% of Annualized Premium for the Expiring Policy Period

Additional Period: 1 Year(s)

Item 4. Optional Run-Off Period

(If exercised in accordance with Section XV. Change in Control or Exposure)

Additional Premium: 100% of Annualized Premium for the Expiring Policy Period

Additional Period: 1 Year(s)

Item 5. Notice to Insurer

Report a claim to the Insurer as required by Section VIII. Reporting to:

The Hanover Insurance Company

P.O. Box 15145

Worcester, MA 01615

National Claims Telephone Number: 800-628-0250

E-mail address: mgmtclaim@hanover.com

Item 6. Policy Premium

Policy Premium:	$562.00
Total Amount:	**$562.00**

Item 7. Coverage Parts Selection

☐ Private Company Directors, Officers and Entity Liability ☐ Fiduciary Liability

☐ Not-For-Profit Directors, Officers and Entity Liability
☐ Employment Practices Liability
☒ Crime Insurance
☐ Kidnap and Ransom Insurance

Item 8. Policy Aggregate Limit of Liability

☐ Yes, the Policy Aggregate Limit of Liability for all **Claims** under all **Liability Coverage Parts** is:

Policy Aggregate Limit of Liability:

Item 9. Coverages, Limits and Retentions

Where no Limit of Liability is shown below, no coverage is afforded under this Policy. Any Coverage Extension Limit of Liability for which the Sublimit option is selected will erode and potentially exhaust the Coverage Part Aggregate Limit of Liability. All Retentions set forth below apply on a per **Claim** basis.

Crime Insurance		
I. Insuring Agreements:	**Limit of Liability:**	**Retention:**
A. Fidelity:		
1. Employee Theft	$1,000,000	$10,000
2. ERISA Fidelity	$0	$0
3. Client's Property	$0	$0
B. Forgery or Alteration	$1,000,000	$10,000
C. Premises Coverage	$100,000	$1,000
D. Transit Coverage	$100,000	$1,000
E. Computer Fraud	$1,000,000	$10,000
F. Funds Transfer Fraud	$1,000,000	$10,000
G. False Pretenses Fraud	$0	$0
H. Credit, Debit or Charge Card Fraud	$0	$0
I. Money Orders and Counterfeit Money	$0	$0
J. Personal Accounts Protection:		
1. Personal Accounts Forgery or Alteration	$0	$0
2. Identity Fraud Expense Reimbursement	$0	$0
II. Coverage Expenses:	**Limit of Liability:**	
A. Investigative Expenses	$0	None
B. Data Restoration Expenses	$0	None
Crime Insurance Coverage Part Premium: $562.00		

Item 10. Endorsements

Endorsements are effective at inception, see Schedule of Forms attached.

Item 11. Agent on behalf of:

MCGOWAN & CO, INC.
20595 LORAIN RD STE 300
FAIRVIEW PARK, OH 44126

We have caused this Policy to be signed by our President and Secretary and countersigned where required by a duly authorized agent of the Company.

John C. Roche, President

Charles F. Cronin, Secretary

Endorsement

Issued To: Jasper Heights Condominium Association
Issued By: Hanover Insurance Company
Policy Number: BDW-M104412-01

Endorsement Number: 2517168
Effective Date: 07/20/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Policy

SCHEDULE OF FORMS

In consideration of the premium charged it is agreed that:

Item 10. Schedule of Forms of the Policy Declarations is deleted and replaced with:

Item 10. Schedule of Forms

The following Coverage Parts, endorsements and forms are attached to and form part of the Policy listed above:

Common Terms and Conditions		
950-00200	07/24	Policy Declarations
950-00201	06/24	Schedule of Forms
999-00001 PHN	11/23	OFAC Notice
999-00002 PHN	11/23	Privacy Notice
950-00420 PHN	06/24	Notice of Terrorism Insurance Coverage
950-00001	06/24	Common Terms and Conditions
950-00300OR	06/24	Oregon State Amendatory Endorsement
950-26005	06/24	Cap on Losses From Certified Acts of Terrorism
Crime Insurance		
955-00001	06/24	Crime Insurance Coverage Part
955-01015	06/24	Non-Cumulative Liability - Property Manager as Designated Agent
955-08001	06/24	Agent as Employee - Employee Theft Sublimit of Liability
955-08003	06/24	Condo and HOA Automatic Employee Theft Limit Increase

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Policyholder Notice

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, terrorists organizations, and narcotic 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 United States 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.

Consumer Privacy Notice

WHAT DOES THE HANOVER DO WITH YOUR PERSONAL INFORMATION?

Why?	At The Hanover Insurance Group ("The Hanover"), we are committed to protecting the privacy of the personal information that we collect or maintain. Financial companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal and state law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and may share to provide products and services to you include: ▪ Information you provide to us in your application ▪ Insurance claim history ▪ Information contained in consumer reports to the extent permitted by law We may share information we collect for permissible purposes.
How?	All financial companies need to share customers' personal information for permissible purposes to run their everyday business. When The Hanover shares personal information with a trusted service provider, The Hanover requires the service provider to have processes and procedures in place to protect the information. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons The Hanover chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does The Hanover share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies (for products and services not offered by The Hanover)	No	We don't share
For our affiliates' everyday business purposes to provide coverage and services to you— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes to provide coverage and services to you— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share
Questions?	Call [toll-free] **1-800-446-8379** or write to privacy@hanover.com	

Consumer Privacy Notice

Who we are	
Who is providing this notice:	This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - AIX Specialty Insurance Company - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Campmed Casualty & Indemnity Company, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Educators Insurance Agency, Inc. - Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company – The Hanover Atlantic Insurance Company Ltd - The Hanover Casualty Company - The Hanover Insurance Company – The Hanover National Insurance Company - Massachusetts Bay Insurance Company - NOVA Casualty Company - Opus Investment Management, Inc. - Verlan Fire Insurance Company.

What we do	
How does The Hanover protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state laws. These measures include computer and systems safeguards, secured files and buildings, firewall technology and the use of detection software. We have implemented processes and procedures to strengthen protection of our customer information. We limit access to your information to those employees who need access to do their job.
How does The Hanover collect my personal information?	We collect your personal information, for example, when you: ▪ Apply for insurance ▪ Pay insurance premiums or file insurance claims ▪ Provide account information ▪ Access our website We also collect your personal information from third parties, such as consumer reporting agencies and various state department of motor vehicles or similar agencies.
Why can't I limit all sharing?	Federal and state laws give you the right to limit only: ▪ Sharing for affiliates' everyday business purposes- information about your credit worthiness ▪ Affiliates from using your information to market to you ▪ Sharing for nonaffiliates to market to you State laws may give you additional rights to limit sharing. See below for more on your rights under state laws.
What happens when I limit sharing for an account I hold jointly with someone else?	Where "limit the sharing" is available, your choices will apply to everyone on your account.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial or nonfinancial companies. ▪ The Hanover affiliates are listed in this Consumer Privacy Notice.
Nonaffiliates	Companies not related by common ownership or control. They can be financial or nonfinancial companies. ▪ The Hanover does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

Consumer Privacy Notice

	▪ The Hanover does not jointly market.

Other important information

California: California residents can review our Privacy Policy for California Residents located at https://www.hanover.com/legal-and-compliance/privacy-center/hanover-insurance-group-privacy-policy#for-california-residents

New York: New York Insurance Law §2612 provides certain rights to victims of domestic violence, including privacy protections and protections from discrimination, each of which is described in the policy located at https://www.hanover.com/legal-and-compliance/privacy-policy/notice-protections-victims-domestic-violence-under-ss2612-new.

As mentioned above, The Hanover may share your personal information for our everyday business purposes—such as to process your transactions and claims, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.

The term "Information" means information we collect during an insurance transaction or other interactions you may have with us. We may share your Information with nonaffiliates without your prior authorization as permitted or required by law: for example, we may share your Information with insurance regulatory authorities, law enforcement, and re-insurers and consumer reporting agencies, among other insurance support organizations. Information we obtain from a report prepared by an insurance-support organization may be retained by the insurance-support operation and disclosed to others.

To request access to or deletion of your personal information, send a written letter to: The Hanover Insurance Group, Inc., c/o Chief Privacy Officer, 440 Lincoln Street N435, Worcester, MA 01653. Include your name, address, and your policy, contract, or account number, and describe the information you wish to access or delete. You may correct inaccurate personal information by visiting Hanover.com or calling your agent. We will respond to your request within the statutory timeline under your state statue. We cannot change information other companies, like credit agencies, provide to us. You will need to ask them to change it.

THIS POLICYHOLDER NOTICE DOES NOT FORM PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY.

NOTICE OF TERRORISM INSURANCE COVERAGE

Disclosure of Terrorism Coverage:

The **Insured** is hereby notified that, under the Terrorism Risk Insurance Act, as amended, this Policy makes available to the **Insured** insurance for losses arising out of certain acts of terrorism. Terrorism is defined as:

> Any act or acts that are certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

Cap on Insurer Participation in Payment of Terrorism Losses:

If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, the **Insurer** 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.

The portion of the **Named Insured's** Policy's annual premium that is attributable to insurance for such acts of terrorism is: $ **0.00**.

If the **Insured** has any questions about this notice, please contact your agent or broker.

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Subject to the Policy terms and conditions, the Liability Coverage Parts provide coverage on a CLAIMS-MADE basis with Defense Expenses included in the Limit of Liability. Please read the Policy carefully to determine rights, duties, coverage and coverage restrictions.

In consideration of the premium paid, in reliance upon the statements in the **Application** and subject to the Policy Declarations, limitations, conditions, definitions and other provisions of this Policy, including endorsements hereto, the **Insurer** and the **Insureds** agree as follows:

I. PREFACE

The Common Terms and Conditions of this Policy shall apply to all Coverage Parts except when limited to specific Coverage Part(s) by endorsement. Unless stated to the contrary in any Coverage Part, the terms and conditions of each Coverage Part of this Policy shall apply only to that Coverage Part and shall not apply to any other Coverage Part of this Policy. If any provision in this Common Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Part, the terms and conditions of such Coverage Part shall control for purposes of that Coverage Part. Bolded terms in the Policy will have the special meaning stated in the definitions. Any defined term referenced in this Common Terms and Conditions and also defined in a Coverage Part shall, for purposes of coverage under that Coverage Part, have the meaning stated in that Coverage Part, unless otherwise stated.

II. TITLES AND HEADINGS

The titles and headings in this Policy are solely for convenience and form no part of the terms and conditions of coverage.

III. DEFINITIONS

Application means:

A. Any portion of an application given to the **Insurer** for this Policy including any attachments, written information and materials provided to the **Insurer** by or on behalf of an **Insured** for the purposes of the **Insurer's** underwriting of this Policy; and

B. Any warranty provided to the **Insurer** within the past three years in connection with any coverage part with the exception of the **Non-Liability Coverage Part(s)**, or policy of which this Policy is a renewal or replacement.

Board Observer means any natural person formally designated or invited to act as an observer at formal board meetings or committee meetings of the duly elected or appointed directors of an **Insured Entity** pursuant to a written agreement with such **Insured Entity**, but only if the **Insured Entity** has indemnified such **Board Observer** as director or officer of the **Insured Entity**.

Breach Notice Law means any state, federal or foreign statute or regulation that requires notice to persons, whose **Personal Information** is accessed or may reasonably have been accessed by an unauthorized person.

Change in Named Insured Control means an acquisition transaction of the **Named Insured** due to:

A. Another individual, entity or group of individuals or entities acquiring more than fifty percent (50%) of the assets of the **Named Insured**;

B. Another individual, entity or group of individuals or entities acquiring more than fifty percent (50%) of the outstanding securities representing the right to vote or voting rights for the election of directors, members of the Board of Managers or management committee members of the **Named Insured**;

C. The **Named Insured** consolidating or merging with another entity and the **Named Insured** is not the surviving entity; or

D. The **Named Insured** emerging from bankruptcy, as of the effective date stated in the plan of reorganization.

Claim shall have the meaning as defined in the applicable Coverage Part.

Computer System means any computer or computer network including hardware, software, telephone system, firmware and **Data** stored thereon, as well as associated input and output devices, **Data** storage devices, networking equipment and storage area network or other **Data** backup facilities.

Cyber Extortion Threat shall have the meaning as defined in the applicable Coverage Part.

Cyber Security Breach means the failure, unauthorized access or violation of the **Insured's** computer security (including entry of an unauthorized application or software program, an impairment or denial of service attack) on the **Insured Entity's** computer system or on the computer system of a service provider of the **Insured Entity** by any entity or natural person.

Data means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a **Computer System** including relate electronic instructions which direct the operations and functions of a **Computer System**.

De Facto Director means a natural person formally designated or invited to act as a "de facto" director (including shadow director) of an **Insured Entity** pursuant to a written agreement with such **Insured Entity**, but only if the **Insured Entity** has indemnified such **De Facto Director** as director or officer of the **Insured Entity**.

Defense Expenses shall have the meaning as defined in the applicable Coverage Part.

Digital Currency means a digital or electronic medium of exchange in which encryption techniques are used to regulate the generation of units and to verify the transfer of such units and is used and accepted as a means of payment.

Employment Claim shall have the meaning as defined in the applicable Coverage Part.

Entity Executive means Chief Executive Officer, Chief Financial Officer, Head of Human Resources, in-house General Counsel, risk manager, Executive Director, any person with the responsibility for the management of insurance claims, or any equivalent position of an **Insured Entity.**

Executive means any natural person who is, was, or shall become:

A. A duly elected or appointed director, shadow director, advisory committee member, officer, manager, in-house general counsel, in-house compliance officer, governor, regent, or trustee of the **Insured Entity**;

B. A duly elected or appointed manager or member of a Board of Managers of a Limited Liability Company, boards, committees or other units operated under the **Insured Entity's** charter or with the **Insured Entity's** written approval;

C. A member of an Advisory Board of an **Insured Entity** if such person is granted indemnification by the **Insured Entity** to the fullest extent permitted by common or statutory law to the same extent as any duly elected or appointed director or officer of the **Insured Entity**.

D. A **De Facto Director** or **Board Observer** of the **Insured Entity**, but only if the **Insured Entity** has indemnified such **De Facto Director** or **Board Observer** as director or officer of the **Insured Entity**.

E. Any person holding an equivalent position to those described in A. and B. above in any **Insured Entity** incorporated, formed or organized anywhere in the world.

Financial Insolvency means, with respect to an **Insured Entity** or **Outside Entity**:

A. The appointment of a receiver, conservator, liquidator, rehabilitator, trustee or similar official, or creditors committee to take control of, supervise, manage or liquidate the **Insured Entity** or **Outside Entity**;

B. Such **Insured Entity** or **Outside Entity** becoming a debtor in possession under the United States bankruptcy law or the foreign equivalent; or

C. The inability of such **Named Insured** or **Outside Entity** to financially indemnify an **Insured Individual**.

Independent Contractor means any natural person who is working on behalf of an **Insured Entity** pursuant to a written contract or agreement.

Foreign Jurisdiction means any jurisdiction, other than the United States of America.

Insured shall have the meaning as defined in the applicable Coverage Part.

Insured Entity means the **Named Insured** and any **Subsidiary** including any entity acting in its capacity as the debtor in possession under the United States Bankruptcy Code, Chapter 11, or its foreign equivalent.

Insured Individual shall have the meaning as defined in the applicable Coverage Part.

Insurer means the entity issuing this Policy as designated in the Policy Declarations.

Liability Coverage Part means individually or collectively: the Private Company Directors, Officers and Entity Liability, Not-for-Profit Directors, Officers and Entity Liability, Employment Practices Liability and Fiduciary Liability Coverage Parts, if purchased and as set forth in Item 9. of the Policy Declarations.

Loss shall have the meaning as defined in the applicable Coverage Part.

Named Insured means the entity set forth in Item 1. of the Policy Declarations.

Non-Indemnifiable Loss means **Loss** other than **Loss** under the Fiduciary Liability Coverage Part or the Employment Practices Liability Coverage Part, which an **Insured** becomes legally obligated to pay and for which the **Insured Individual** is not indemnified by the **Named Insured** either because the **Named Insured** is not permitted by statutory or common law to grant such indemnification or because of the **Financial Insolvency** of the **Named Insured**.

Non-Liability Coverage Part means individually or collectively the Crime Insurance Coverage Part and Kidnap and Ransom Coverage Part, if purchased and as set forth in Item 9. of the Policy Declarations.

No Liability means with respect to a **Claim** made against the **Insured**:

A. A final judgment of no liability obtained prior to the trial, in favor of all **Insureds**, by reason of a motion to dismiss or a motion for summary judgment; or

B. A final judgment of no liability obtained at the conclusion of the trial, in favor of all **Insureds**, after the exhaustion of appeals.

In no event shall the term **No Liability** apply to a **Claim** made against an **Insured** for which a settlement has occurred.

Outside Capacity means service by an **Insured Individual** as any director, officer, trustee, regent, governor, manager or member of the Board of Managers including any equivalent executive position of any of the foregoing, in an **Outside Entity**, but solely during the time that such service is with the knowledge and express consent of an **Insured Entity**.

Outside Entity means:

A. Any nonprofit entity described in sections 501(c)3; 501(c)4; 501(c)7; or 501(c)10 of the Internal Revenue Code of 1986, as amended;

B. Any other entity, partnership, joint venture or organization scheduled by endorsement to this Policy; or

Solely with respect to Not-For-Profit Directors, Officers and Entity Liability coverage part:

C. Any other entity organized for a religious or charitable purpose under any nonprofit organization act or statute that is not an **Insured Entity**.

Personal Information means non-public data or a non-public record that is under the **Insured's** care, custody or control or is owned by the **Insured**, for which an **Insured** is legally liable and is intended by an **Insured** to be accessible only by natural persons or entities it has specifically authorized to have such access, that is:

A. A natural person's non-public personally identifiable information as defined in applicable federal, state, local or foreign legislation or regulations including but not limited to a person's name, email address, social security number, unpublished telephone number, unpublished personally identifiable photos or videos, Internet browsing history, biometric records, driver's license number or other personal identification number (including an employee identification number or student identification number);

B. Financial account number (including a bank account number, retirement account number or healthcare spending account number);

C. Credit, debit or payment card numbers;

D. Information related to employment by an **Insured**;

E. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or

F. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended.

Policy Period means the period of time from the inception date shown in Item 2. of the Policy Declarations to the earlier of the expiration date shown in Item 2. of the Policy Declarations or the effective date of termination of this Policy.

Pollutants means any solid, liquid, including gasoline, propane, or mercury, gaseous, including carbon monoxide, ammonia, or hydrogen sulfide, or thermal irritants or contaminants, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, including perfluoroalkyl and polyfluoroalkyl substances (PFAS), nuclear radiation, lead, bacteria, virus, asbestos, and other industrial waste materials and all substances specifically listed, identified, or described by one or more of the following references: Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Priority List Hazardous Substances (1997 and all subsequent editions), Agency for Toxic Substances And Disease Registry ToxFAQs™, and/or U.S. Environmental Protection Agency EMCI Chemical References Complete Index. Substances identified as examples above or by the referenced lists include materials to be discarded, recycled, reconditioned or reclaimed.

Privacy Policy means that part of any internal or publicly accessible written document that sets forth the **Insured Entity's** policies, standards and procedures for disclosure, collection, storage, protection, use, correction or supplementation, sharing, deletion, distribution or sale of **Personal Information**. It is understood that **Privacy Policy** also includes any policies, standards and procedures the **Insured** is explicitly required to have in such a **Privacy Policy** as required by any **Privacy Law** that applies to an Individual alleging a **Privacy Violation.**

Privacy Law any foreign, federal, state or local ordinance, rule, law, regulation or statute used to impose liability in connection with the disclosure, collection, storage, protection, use, correction or supplementation, sharing, distribution or sale of **Personal Information**.

Privacy Violation means:

A. The **Insured Entity's** failure to protect **Personal Information** pursuant to the requirements of a **Privacy Law**;

B. The **Insured Entity's** failure to timely disclose an incident or event triggering a violation of a **Breach Notice Law**; or

C. Failure by the **Insured** to comply with a **Privacy Policy** that results in a **Claim** or loss including any part that:

   1. Prohibits or restricts the **Insured Entities** disclosure, sharing or selling of an individual's **Personal Information**; or

   2. Requires the **Insured Entity** to provide access to **Personal Information**, delete **Personal Information** or to correct incomplete or inaccurate **Personal Information** after a request is made by an individual;

   3. Requires the **Insured Entity** to inform an employee about **Personal Information** usage and to gain consent of such employee prior to collecting or using such **Personal Information**; or

   4. Mandates procedures and requirements to prevent the loss of **Personal Information**.

Related Claims means all **Claims** based upon, arising from or in any way related to the same facts, circumstances, situations, transactions, results, damage or events or the same series of facts, circumstances, situations, transactions, results, damage or events.

Related Wrongful Act means **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event, result, injury or decision.

Subsidiary means:

A. Any entity in which an **Insured Entity** owns or controls more than fifty percent (50%) of the outstanding securities representing the right to vote or voting rights for election of or to appoint directors, trustees, managers, member of the Board of Managers or equivalent positions of such entity which are owned or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**; or

B. Any entity while:

   1. Exactly fifty percent (50%) of the securities representing the right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity which are owned, or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**; and

   2. The **Named Insured**, pursuant to a written contract with the owners of the remaining and outstanding voting stock of such entity, solely controls the management and operation of such entity; or

C. Any foundation or charitable trust while such entity is controlled by the **Named Insured**.

Coverage shall apply to a **Subsidiary** only during the time it qualifies as a **Subsidiary**.

However, with respect to the Not-for-Profit Directors, Officers and Entity Coverage Part (if purchased), **Subsidiary** shall not include any for-profit entity or chapter of the **Named Insured** unless added by endorsement.

Third Party Claim shall have the meaning as defined in the applicable Coverage Part.

Wrongful Act shall have the meaning as defined in the applicable Coverage Part and shall include **Related Wrongful Acts**.

IV. ROLE OF THE NAMED INSURED

By accepting this Policy, the **Named Insured** agrees that it is authorized to, and will act on behalf of all **Insureds** with respect to any rights provided under this Policy and each **Insured** agrees that the **Named Insured** shall act on its behalf with respect to all such matters.

V. LIMIT OF LIABILITY AND RETENTION

With respect to the **Liability Coverage Parts**:

A. Policy Aggregate Limit of Liability

1. If the Policy Aggregate Limit of Liability in Item 8. of the Policy Declarations is elected, the amount stated shall be the **Insurer's** maximum liability for all **Loss** during the **Policy Period** arising from all **Claims** under one or more **Liability Coverage Parts** combined. However, any **Loss** paid under a **Liability Coverage Part** shall not exceed the respective Coverage Part Aggregate Limit of Liability stated in Item 9. of the Policy Declarations.

2. If the Policy Aggregate Limit of Liability in Item 8. of the Policy Declarations is not elected, the **Insurer's** maximum liability for all **Loss** during the **Policy Period** arising from all **Claims** under each **Liability Coverage Part** shall not exceed the respective Coverage Part Aggregate Limit of Liability stated in Item 9. of the Policy Declarations.

B. Coverage Part Aggregate Limit of Liability

1. Subject to Section V.A. above, the **Insurer's** maximum liability for all **Loss** during the **Policy Period** arising from all **Claims** under each Coverage Part shall not exceed the Coverage Part Aggregate Limit of Liability for such Coverage Part stated in Item 9. of the Policy Declarations.

2. Subject to Section V.A. above, if any Coverage Part Aggregate Limit of Liability is designated as being shared with another Coverage Part Aggregate Limit of liability, as stated in Item 9. of the Policy Declarations, then the **Insurer's** Limit of Liability for each Shared Coverage Part shall be part of, and not in addition to, all other Shared Coverage Parts and shall reduce and may completely exhaust the Shared Coverage Part Aggregate Limit of Liability for each shared Coverage Part.

C. Coverage Extension Limit of Liability

1. Subject to Section V.A. above, the **Insurer's** maximum limit of liability for all **Loss** arising from all **Claims** covered by a Coverage Extension afforded under a Coverage Part stated in Item 9. of the Policy Declarations during the **Policy Period** shall not exceed the applicable Coverage Extension Limit of Liability stated in Item 9. of the Policy Declarations.

2. If a particular Coverage Extension is designated as being a Sublimit in Item 9. of the Policy Declarations, then such amount is part of, and not in addition to the Coverage Part Aggregate Limit of Liability of such Coverage Part as stated in Item 9. of the Policy Declarations.

D. Multiple Coverage Parts

If a **Claim** or **Related Claim** is covered by more than one Coverage Part, then the maximum amount payable shall not exceed the largest applicable Coverage Part Aggregate Limit of Liability of all applicable Coverage Parts in Item 9. of the Policy Declarations. However, this provision shall not apply to any Limit provided by any Coverage Extension noted in Item 9. if such Coverage Extension is not designated as a Sublimit in Item 9. of the Policy Declarations for such corresponding Coverage Part and Coverage Extension.

E. Retention

1. The **Insurer's** liability under each Coverage Part, Insuring Agreement, or Coverage Extension applies only to that part of covered **Loss** which is in excess of the applicable Retentions stated in Item 9. of the Policy Declarations for each respective Coverage Part, Insuring Agreement or Coverage Extension. Such Retentions shall be considered uninsured amounts and borne by the **Insureds** at their own risk. Noncovered

loss shall not apply towards satisfaction of the Retention. No Retention shall apply to any Securityholder Derivative Demand Investigation Coverage Extension on the Directors, Officers and Entity Liability Coverage Part.

2. One Retention shall apply to covered **Loss** resulting from each **Claim**. If different parts of a **Claim** are subject to different Retentions in different policies issued by The Hanover Insurance Company or different Executive Advantage Pro Coverage Parts, Insuring Agreements or Coverage Extensions, the applicable Retentions will be applied separately to each part of such **Claim,** but the sum of such Retentions shall not exceed the largest applicable Retention.

3. No retention shall apply to any **Loss** incurred by an **Insured Individual** if such **Loss** cannot be indemnified by an **Insured Entity** because such **Insured Entity** is not permitted by common or statutory law to indemnify, or is permitted or required to indemnify, but is unable to do so by reason of **Financial Insolvency.**

4. If an **Insured Entity** is permitted or required by common or statutory law to indemnify an **Insured Individual** for any applicable Retention, but refuses or fails to do so and such refusal or failure is not by reason of **Financial Insolvency**, then the **Insurer** will advance the amount of any applicable Retention that would otherwise be covered under the applicable **Liability Coverage Part** on behalf of such **Insured Individual** and will be subrogated to the rights of such **Insured Individual** pursuant to Section XIII. Subrogation for the purposes of recovering such Retention amount from the **Insured Entity**.

   The **Insured Entity's** failure or refusal to indemnify such **Insured Individual** will be deemed to have occurred if the **Insured Entity** has neither paid such Retention on behalf of the **Insured Individual**, nor acknowledged its obligation to do so, within sixty (60) days of the **Insured Individual's** written demand to the **Insured Entity** for indemnification or payment of such Retention.

5. No Retention shall apply to any **Claim** in the form of a civil proceeding for monetary relief, in which:

   a. There is a determination of **No Liability**; or

   b. The **Claim** is dismissed or stipulated dismissed without prejudice and without any payment of any consideration by any **Insured.**

   If there is a determination of **No Liability** in a **Claim**, the **Insurer** shall reimburse the **Defense Expenses** paid by the **Insured** in such **Claim.** The **Insurer** shall reimburse the **Defense Expenses** paid by the **Insured** in such **Claim** ninety (90) days after the date of the dismissal or stipulation if:

   c. A **Related Claim** is not brought again within such ninety (90) day period; and

   d. The **Insured Entity** provides the **Insurer** with written documentation in a form satisfactory to the **Insurer** to repay such reimbursement in the event a **Related Claim** is brought again after such ninety (90) day period and before the expiration of the statute of limitations for such **Claim**.

VI. DEFENSE AND SETTLEMENT

With respect to the **Liability Coverage Parts**:

A. The **Insurer** shall have the exclusive right and duty to defend any **Claim** covered by the applicable **Liability Coverage Part(s)** regardless of whether any allegation contained therein is groundless, false or fraudulent, including the right to select defense counsel from the **Insurer's** current list of approved firms for the jurisdiction where the **Claim** is pending. However, if an **Insured** is entitled under applicable law to select defense counsel, then such defense counsel shall comply with the **Insurer's** customary panel rates and established litigation guidelines regarding billing, staffing and reporting. The **Insurer** has no duty to defend any **Claim** or pay **Defense Expenses** for **Claims** to which this insurance does not apply;

B. The **Insurer's** right and duty to defend any **Claim** and pay any **Loss**, including **Defense Expenses** covered under the applicable **Liability Coverage Part(s)** shall cease upon the exhaustion of any applicable **Liability Coverage Part(s)** Aggregate Limit of Liability shown in Item 9. of the Policy Declarations or the exhaustion of the Policy Aggregate Limit of Liability shown in Item 8. of the Policy Declarations, if any;

C. The **Insureds** shall provide all information and assistance in connection with any **Claim**, shall cooperate with the **Insurer** in the investigation, defense and settlement of any **Claim**, and will refrain from any actions that may prejudice the **Insurer's** ability to investigate, defend, settle the **Claim**, or interfere with the **Insurer's** potential or actual rights of recovery under the applicable **Liability Coverage Part(s)**. However, solely with respect to Insuring Agreement I.A. <u>Individual Non-Indemnified Liability</u>, of the Directors, Officers and Entity Liability

Coverage Part, the failure of any **Insured Individual** to give the **Insurer** such information, assistance, or cooperation shall not impair the rights of any other **Insured Individual**;

D. No **Insured** shall settle or offer to settle any **Claim**, voluntarily make any payment, assume any obligation, or incur any **Defense Expenses** related to a **Claim** without the **Insurer's** prior written consent. The **Insured** agrees to consult with the **Insurer** to resolve any differences relating to such settlement;

E. The **Insurer** may make any investigation it deems necessary and settle any **Claim** subject to the **Named Insured's** written consent to settle which shall not be unreasonably withheld;

F. The **Insurer** shall not seek repayment from an **Insured Individual** of any **Defense Expenses** paid by the **Insurer** that are deemed uninsured pursuant to Exclusion IV.A.3. Conduct in applicable **Liability Coverage Parts**, unless the applicable determination standard set forth in such exclusion has been met;

G. If the **Insurer** is prevented by law or otherwise unable to defend or investigate a **Claim** brought outside the United States, the **Insured** under the **Insurer's** supervision may arrange for the investigation, appointment of counsel and defense of such **Claim**. Subject to the applicable Limit of Liability and retention, the **Insurer** will reimburse the **Insured** for any reasonable and necessary **Defense Expenses** for such **Claim**; and

H. Solely with respect to the Employment Practices Liability Coverage Part, if any **Insured** refuses to consent to the settlement of any **Claim** which the **Insurer** recommends and which is acceptable to the claimant, subject to the applicable Limit of Liability or Retention, the **Insurer's** liability for all **Loss** from such **Claim** shall not exceed:

   1. The amount the **Insurer** would have contributed to the settlement including **Defense Expenses** incurred up to the date of such refusal; and

   2. Eighty percent (80%) of such **Loss** in excess of the amount for which the **Claim** would have been settled.

VII. EXTENDED REPORTING PERIOD

With respect to the **Liability Coverage Parts**:

A. If the **Insurer** or the **Named Insured** terminates or does not renew any **Liability Coverage Part**, other than termination by the **Insurer** for nonpayment of premium or due to a **Change in Named Insured Control**, then the **Named Insured** shall have the right to purchase an Extended Reporting Period for any **Liability Coverage Part** beginning on the effective date of the termination or non-renewal of any **Liability Coverage Part**.

B. The **Named Insured** must provide a written request for the Extended Reporting Period including payment of the additional premium within ninety (90) days following the effective date of the termination or non-renewal of this Policy or any Coverage Part as applicable. Additional premium paid shall be deemed fully earned as of the first day of the Extended Reporting Period and the Extended Reporting Period may not be cancelled. Any additional premium will be determined in accordance with the rules, rates and rating plans the **Insurer** then has in effect in the **Named Insured's** state based on the annual premium of the **Named Insured's** applicable **Liability Coverage Part** or Policy in effect at the time of purchase or as stated in Item 3. of the Policy Declarations.

C. If an Extended Reporting Period is purchased, then coverage as provided by the applicable **Liability Coverage Part(s)** shall be extended to **Claims** first made during such Extended Reporting Period and reported pursuant to Section VIII. Reporting of this Common Terms and Conditions, but only if such **Claims** are for **Wrongful Acts** which occurred entirely prior to the effective date of the termination or non-renewal of the applicable **Liability Coverage Part**. The **Named Insured** only has a right to purchase one Extended Reporting Period per **Liability Coverage Part**. The Extended Reporting Period does not change the respective Coverage Part Aggregate Limit of Liability or the Policy Aggregate Limit of Liability as such Limits available during the Extended Reporting Period are part of, and not in addition to the remaining Coverage Part Limit of Liability of such applicable **Liability Coverage Part** as stated in Item 9. of the Policy Declarations and the remaining Policy Aggregate Limit of Liability stated in Item 8. of the Policy Declarations.

VIII. REPORTING

With respect to the **Liability Coverage Parts**:

A. An **Insured** shall provide the **Insurer** with written notice as soon as practicable after the **Entity Executive** becomes aware of a **Claim**, but in no event later than:

1. Ninety (90) days after the effective date of expiration or termination; or
2. The expiration date of the Extended Reporting Period, if applicable.

However, if the **Insurer** sends written notice to the **Named Insured** stating that this Policy is being terminated for nonpayment of premium, an **Insured** shall give the **Insurer** written notice of such **Claim** prior to the effective date of such termination.

B. Notwithstanding paragraph A. immediately above, solely with respect to an **Employment Claim** under the Employment Practices Liability Coverage Part, which is brought as an administrative or regulatory proceeding commenced by the receipt of charges, investigative order or similar document an **Insured** shall give written notice during the **Policy Period** or, if applicable, no later than:
   1. One hundred eighty (180) days after the end of the **Policy Period**, if the Employment Practices Liability coverage part is renewed;
   2. Ninety (90) days after the effective date of expiration or termination, if the Employment Practices Liability coverage part is not renewed with the **Insurer** and no Extended Reporting Period is purchased; or
   3. The expiration date of the Extended Reporting Period, if elected.

C. With respect to the Fiduciary Liability Coverage Part, if any **Compliance Resolution Notice** is provided during the **Policy Period**, then any **Claim** subsequently arising from such **Compliance Resolution Notice** shall be deemed to have been made in the **Policy Period** in which the **Compliance Resolution Notice** was first provided.

D. If during the **Policy Period**, or an applicable Extended Reporting Period, an **Entity Executive** becomes aware of an act or circumstances that may subsequently give rise to a **Claim** and gives the **Insurer** notice of such act or circumstances, then any **Claim** subsequently arising from such circumstances shall be deemed made against the **Insured** during the **Policy Period** in which the circumstances were first reported to, and accepted by, the **Insurer** provided that any such subsequent **Claim** is reported to the **Insurer** in accordance with paragraph A. above.

E. An **Insured** must give to the **Insurer** the assistance, information and cooperation the **Insurer** may require and shall include in any notice of a **Claim**, or circumstances of a potential **Claim**, a description of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature and amount of alleged or potential damage, the names of actual or potential claimants, the identity of the **Insureds** allegedly involved, and the manner in which the **Insured** first became aware of the **Claim**, circumstances or alleged **Wrongful Act**.

F. Notice of a **Claim** or a potential **Claim** must be provided pursuant to Item 5. of the Policy Declarations.

Non-Liability Coverage Parts shall have their own reporting and discovery requirements. See their respective coverage parts.

IX. NOTICE

Notice to the **Insurer** of any **Claim**, **Compliance Resolution Notice** or circumstances under any **Liability Coverage Part** or any notice under any **Non-Liability Coverage Part** shall be deemed notice under the Policy in its entirety.

All notices to the **Insurer** under this Policy of any **Claim**, **Compliance Resolution Notice** or circumstances under any **Liability Coverage Part** or notice under any **Non-Liability Coverage Part** shall be deemed notice under the Policy in its entirety and shall be given in writing to the **Insurer** at the address shown in Item 5. of the Policy Declarations.

X. ALLOCATION

With respect to the **Liability Coverage Parts**:

If an **Insured** incurs **Loss** on account of any **Claim** and such **Claim** includes both covered and non-covered matters, coverage with respect to such **Claim** shall apply as follows:

A. One hundred percent (100%) of **Defense Expenses** on account of the **Claim** will be considered covered **Loss** provided that this shall not apply to any **Insured** for whom coverage is excluded pursuant to Section XXIV. Representations and Severability of the Application and Exclusion IV.A.10. Employment Practices, stated on the Directors, Officers and Entity Coverage Part; and

B. The **Insurer** shall fairly allocate all remaining loss that an **Insured** incurred on account of such **Claim** between covered **Loss** and uncovered loss based upon the relative legal exposure of the parties to such matters.

XI. RELATED CLAIMS

With respect to the **Liability Coverage Parts** all:

Claims and **Related Claims** based upon, arising out of or in any way related to the same **Wrongful Act** or **Related Wrongful Acts** shall be deemed to be a single **Claim** first made on the earlier of:

A. The date on which the earliest such **Claim** was first made regardless of whether such date is before or during the **Policy Period**;

B. The first date of any notice of circumstances which was given for any such **Wrongful Act** by an **Insured** to the **Insurer** under this Policy pursuant to Section VIII.D. Reporting; or

C. The first date of any notice of circumstances which was given for any such **Wrongful Act** by an **Insured** to any other insurer under any other similar policy of which the Policy is a direct or indirect renewal or replacement.

All such **Claims** and **Related Claims** are subject to the Limits of Liability, Retention and all other terms and conditions applicable to the earliest **Claim**. In no event shall an individual lawsuit or proceeding constitute more than one **Claim**.

XII. PRIORITY OF PAYMENTS

If **Loss** arising from any **Claim** covered by any **Liability Coverage Part** exceeds the remaining available Limit of Liability as stated in Item 9. of the Policy Declarations then the **Insurer** shall:

A. First pay **Loss** for such **Claim** that is a **Non-Indemnifiable Loss** for such Coverage Part or any **Loss** for which coverage is due to an **Insured Individual** or **Benefit Plan** under the Fiduciary Liability Coverage Part; and then

B. To the extent any remaining amount of the applicable Limit of Liability remains available, after payment under A. above, the **Insurer** will pay **Loss** for such **Claim** as provided by such **Liability Coverage Part**.

Except as otherwise provided in this Section XII. Priority of Payments, the **Insurer** may pay **Loss** as it becomes due without regard to the potential for other future payment obligations under the **Liability Coverage Parts**.

XIII. SUBROGATION

In the event of any payment under this Policy, the **Insurer** shall be subrogated to the extent of such payment to all of the **Insured's** rights of recovery. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**, and shall do nothing to prejudice or compromise such rights without the **Insurer's** express written consent.

XIV. LEGAL PROCEEDINGS

A. No individual or entity has a right under this Policy to join the **Insurer** as a party or otherwise bring the **Insurer** into a suit asking for damages from an **Insured** or to sue the **Insurer** on this Policy unless all of its terms have been fully complied with.

B. An individual or entity may sue the **Insurer** to recover on an agreed settlement or on a final judgment against an **Insured** but the **Insurer** will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by the **Insurer**, the **Insured** and the claimant or the claimant's legal representative.

XV. CHANGE IN CONTROL OR EXPOSURE

A. Acquisition of the Named Insured

If during the **Policy Period** the **Named Insured** experiences a **Change in Named Insured Control** then the applicable coverage under this Policy with respect to:

1. **Liability Coverage Parts**:

   a. Shall continue until the termination or expiration of the **Policy Period** but only for **Claims** for a **Wrongful Act** which occurs prior to the transaction date of the **Change in Named Insured Control**; and;

   b. The **Named Insured** shall have a right to purchase an Optional Run-Off Period for the period as stated in Item 4. of the Policy Declarations. Any such Optional Run-Off Period for any Coverage Part shall begin on the effective date of the **Change in Named Insured Control**.

   The **Named Insured** must provide a written request for the Optional Run-Off Period including payment of the additional premium, as stated in Item 4. of the Policy Declarations within ninety (90) days of the **Change in Named Insured Control**. Additional premium paid shall be deemed fully earned as of the effective date of the Optional Run-Off Period and the Optional Run-Off Period may not be cancelled.

   If an Optional Run-Off Period is purchased, then coverage as provided by each such Coverage Part shall be extended to **Claims** first made during such Optional Run-Off Period and reported pursuant to Section VIII. Reporting of the Common Terms and Conditions, but only if such **Claims** are for **Wrongful Acts** which occurred entirely prior to the effective date of the **Change in Named Insured Control**. The Optional Run-Off Period does not change the respective Coverage Part Aggregate Limit of Liability or the Policy Aggregate Limit of Liability as such Limits available during the Optional Run-Off Period are part of, and not in addition to the remaining Coverage Part Aggregate Limit of Liability of such Coverage Part as stated in Item 9. of the Policy Declarations and the remaining Policy Aggregate Limit of Liability stated in Item 8. of the Policy Declarations.

2. **Non-Liability Coverage Parts** shall terminate as of the transaction date of the **Change in Named Insured Control**.

The **Named Insured** shall notify the **Insurer** of the **Change in Named Insured Control** as soon as practicable but no later than ninety (90) days after the effective date of the transaction and provide such additional information as the **Insurer** requires.

B. Cessation of Subsidiaries

If before or during the **Policy Period** an **Insured Entity** ceases to be a **Subsidiary** then coverage for such **Subsidiary** and its **Insureds** shall continue until termination or expiration of this **Policy Period** but only for **Claims** for **Wrongful Acts** prior to the date such entity ceased to be a **Subsidiary**.

C. Acquisition of Another Organization

1. With respect to the **Liability Coverage Parts**:

   If before or during the **Policy Period** the **Insured Entity** acquires the voting rights of another entity such that the acquired entity becomes a **Subsidiary,** then coverage for such **Subsidiary** and its **Insureds** shall be provided but only for **Claims** for **Wrongful Acts** after the date such entity became a **Subsidiary**.

   If during the **Policy Period** the **Insured Entity** acquires another entity and at the time of such acquisition the entity becomes a **Subsidiary** (or would have but for its absorption into the **Insured**) and the total revenue of the acquired entity exceeded thirty five percent (35%) of the total revenues of the **Insured Entity** (or, with respect to Not-for-Profit **Insureds**, thirty-five percent (35%) of the total assets of the **Insured Entity**) as of the beginning of the **Policy Period**, then the **Named Insured** shall give the **Insurer** full details of the transaction including written notice of such consolidation, merger, purchase or acquisition within ninety (90) days of the transaction date and agree to any amendments to the terms of this Policy, including, but not limited to, any additional premium the **Insurer** may require.

2. With respect to the **Non-Liability Coverage Parts**:

   If before or during the **Policy Period** the **Insured Entity** acquires the voting rights of another entity such that the acquired entity becomes a **Subsidiary,** then coverage for such **Subsidiary** and its **Insureds** shall be provided but only for loss sustained by the **Insured** after the date such entity became a **Subsidiary**.

If during the **Policy Period** the **Insured Entity** acquires another entity and at the time of such acquisition the entity becomes a **Subsidiary** (or would have but for its absorption into the **Insured**) and the total revenues of the acquired entity exceeded thirty five percent (35%) of the total revenues of the **Insured Entity** as of the beginning of the **Policy Period**, then the **Named Insured** shall give the **Insurer** full details of the transaction including written notice of such consolidation, merger, purchase or acquisition within ninety (90) days of the transaction date and agree to any amendments to the terms of this Policy, including, but not limited to, any additional premium the **Insurer** may require.

There shall be no coverage for an acquired entity unless the **Insured** fully complies with the terms of Section XV.C. Acquisition of Another Organization.

XVI. OTHER INSURANCE

A. With respect to the **Liability Coverage Parts**:

If other valid and collectible insurance (other than a policy that is issued specifically as excess of any Coverage Part of this Policy) is available to the **Insured** for **Loss** covered under this Policy, then the insurance provided by this Policy shall be excess of such other insurance or indemnification provided to an **Insured Entity**, regardless of whether or not such insurance is primary, contributory, excess, contingent or otherwise or whether such indemnification is actually made.

If a **Claim** is made against a leased or temporary employee or **Independent Contractor**, that portion of such **Loss** payable under any Coverage Part shall be excess of, and not contribute to, any other valid and collectible insurance (other than a policy that is issued specifically as excess of such Coverage Part) regardless of whether or not such insurance is stated to be primary, contributory, excess, contingent or otherwise.

With respect to an **Executive** serving in an **Outside Capacity**, the Directors, Officer and Entity Coverage Part will be excess of any insurance or indemnification available to such **Executive** by or on behalf of an **Outside Entity**.

However, this Policy shall be primary to any personal umbrella excess liability insurance purchased by an **Insured Individual**.

B. **Non-Liability Coverage Parts** shall have their own Other Insurance conditions. See their respective coverage parts.

XVII. PRESUMPTION OF INDEMNIFICATION

If an **Insured Entity**, or **Outside Entity** fails or refuses to indemnify an **Insured Individual** for **Loss** to the fullest extent permitted by the **Insured Entity's** or **Outside Entity's** by-laws or through statutory or common law, other than by reason of its **Financial Insolvency**, then any payment by the **Insurer** of such **Loss** shall be excess of the applicable retention as set forth in Item 9. of the Policy Declarations. Such failure or refusal to indemnify shall be constituted in part by written notice by the **Insured Entity** to the **Insured Individual** within sixty (60) days of the request to indemnify by the **Insured Individual**. In no event shall any such payment by the **Insurer** relieve any **Insured Entity** of any duty it may have to provide indemnification to any **Insured Individual**.

XVIII. TERMINATION OF POLICY

This Policy will terminate upon:

A. Twenty (20) days after mailing by the **Insurer** of a written notice of termination to the **Named Insured** based upon nonpayment of premium, unless such premium is paid within such twenty (20) day period;

B. Receipt by the **Insurer** of written notice of termination from the **Named Insured**;

C. Expiration of the **Policy Period**; or

D. A date agreed upon by the **Insurer** and the **Named Insured**.

XIX. BANKRUPTCY

Bankruptcy of an **Insured** shall not relieve the **Insurer** of its obligations under this Policy.

In the event a liquidation or reorganization proceeding is commenced by or against an **Insured Entity** under United States bankruptcy law or any equivalent body of law in a **Foreign Jurisdiction**, the **Insured Entity** and the **Insured Individuals** hereby agree not to oppose or object to any efforts by the **Insurer**, the **Insured Entity** or an **Insured Individual** to obtain relief from any stay or injunction.

XX. FOREIGN JURISDICTION CONDITIONS

A. Coverage Territory

1. With the exception of the Kidnap and Ransom Insurance Coverage Part, this Policy applies anywhere in the world.
2. Solely with respect to the Kidnap and Ransom Insurance Coverage Part, Coverage shall extend to the Kidnap and Ransom Insurance Territory stated in the Kidnap and Ransom Insurance portion in Item 9. of the Policy Declarations.

B. Defense and Settlement in a Foreign Jurisdiction

With respect to the **Liability Coverage Parts**:

1. If **Loss** is incurred by the **Insured Entity** or a **Subsidiary** in a **Foreign Jurisdiction** in which the **Insurer** is not licensed to provide this insurance, then such **Loss** shall be paid to the **Named Insured**. All payments or reimbursements for **Loss** made by the **Insurer** to the **Insured Entity** or a **Subsidiary** in a **Foreign Jurisdiction** in which the **Insurer** is not licensed to provide this insurance will be made in the equivalent amount of United States currency at the prevailing daily interbank rate of exchange as published in *The Wall Street Journal* on the date the **Insured** became legally obligated to pay such sums pre-tax without regard to tax consequences. The **Insurer** will not be liable for any differential or financial burden due to tax liability on the payment.
2. If **Non-Indemnifiable Loss** is incurred by an **Insured Individual** of a **Subsidiary** in a **Foreign Jurisdiction** in which the **Insurer** is not licensed to provide this insurance, then such non-indemnifiable **Loss** shall be paid to such **Insured Individual** in a jurisdiction mutually acceptable to such **Insured Individual** and the **Insurer** to the extent permissible by law in such **Foreign Jurisdiction**. All payments or reimbursements for **Loss** made by the **Insurer** to the **Insured Individual** of a **Subsidiary** in a **Foreign Jurisdiction** in which the **Insurer** is not licensed to provide this insurance will be made in the equivalent amount of United States currency at the prevailing daily interbank rate of exchange as published in *The Wall Street Journal* on the date the **Insured Individual** became legally obligated to pay such sums with regard to tax consequences. The **Insurer** will be liable for any differential or financial burden due to tax liability on the payment to the **Insured Individual**.

C Difference in Conditions

This insurance applies on a difference in conditions basis when there is other primary insurance that:

1. Is issued in a **Foreign Jurisdiction**;
2. Is intended to apply to **Claims** made or brought in a **Foreign Jurisdiction**; and
3. Provides coverage, in whole or in part, for the same **Loss** covered by this insurance.

When this insurance applies on a difference in conditions basis, the **Insurer** will pay the difference between:

4. The amount the **Insurer** would have paid under this insurance if no other insurance was available; and
5. The amount the **Insured** is entitled to under the terms and conditions of the other insurance the **Insured** has for the same **Claim**, whether the **Insured** can collect or not.

XXI. VALUATION AND FOREIGN CURRENCY

A. With respect to **Liability Coverage Parts**:

All premiums, Limits, Retentions, and other amounts are expressed and payable in the currency of the United States of America. If a judgment is rendered, a settlement is denominated or another element of loss under this Policy is stated in a currency other than the United States of America dollars, then payment under this Policy shall be made in United States of America dollar equivalent determined by the rate of exchange published in the *Wall Street Journal* on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.

B. **Non-Liability Coverage Parts** shall have their own valuation and foreign currency requirements. See their respective coverage parts.

XXII. CONFORMANCE TO LAW AND TRADE SANCTIONS

This insurance does not apply to the extent that:

A. Trade or economic sanctions or other similar laws or regulations prohibit the **Insurer** from providing insurance; or

B. The provision of such insurance by the **Insurer** would violate the local laws or regulations of the country in which insurance is being sought by the **Insured**.

The terms of this Policy which are in conflict with the statutes of the state in which this Policy is issued are amended to conform to those statutes.

XXIII. SPOUSES, DOMESTIC PARTNERS, ESTATES AND LEGAL REPRESENTATIVES

Solely with respect to the **Liability Coverage Parts**, coverage shall extend to **Claims** for the **Wrongful Acts** of an **Insured Individual** made against:

A. A lawful spouse or domestic partner, as defined under any applicable federal, state or local law, of an **Insured Individual** solely by reason of such person's status as spouse or domestic partner or such person's ownership interest in property which the claimant seeks as recovery from an **Insured Individual**;

B. The estate, heirs, legal representatives or assigns of an **Insured Individual** if such **Insured Individual** is deceased, legally incompetent, insolvent or bankrupt.

Coverage shall not apply to **Loss** for **Claims** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by an **Insured Individual's** spouse, domestic partner, heir, estate, legal representative or assigns.

XXIV. REPRESENTATIONS AND SEVERABILITY OF THE APPLICATION

A. With respect to the **Liability Coverage Parts**:

1. The declarations and statements in the **Application** for this Policy are the **Insured's** representations and the **Insurer** has relied on such representations when issuing this Policy. The **Application** shall be construed as a separate application by each **Insured Individual**. No statement in the **Application**, fact pertaining to, or knowledge possessed by any **Insured Individual** shall be imputed to any other **Insured Individual**. The **Insurer** shall not be entitled to void or rescind this Policy with respect to any **Insured**.

2. If the **Application** contains any misrepresentations made with the intent to deceive or contains misrepresentations which materially affect the acceptance of the risk or the hazard assumed by the **Insurer** under this Policy, then no coverage shall be afforded for any **Claim** based upon, arising from, or inconsequence of, any such misrepresentation with respect to:

   a. Any **Executive** who knew of such misrepresentation (whether or not such individual knew such **Application** contained such misrepresentations) or any **Insured Entity** to the extent it indemnifies any such **Insured Individual**; or

b. Any **Insured Entity** if any past or present Chief Executive Officer, In-House General Counsel, President, Chairman of the Board or Chief Financial Officer (or any equivalent position) of the **Insured Entity** knew of such misrepresentation (whether or not such individual knew such **Application** contained such misrepresentation.)

B. With respect to **Non-Liability Coverage Parts**:

The declarations and statements in the **Application** are representations and the **Insurer** has relied on such representations when issuing this Policy. Any claim based upon, arising out of or in connection with any misrepresentation, omission, concealment, untruthful, inaccurate, or incomplete statement of a material fact in the **Application** or otherwise shall be excluded from coverage.

XXV. STATE AMENDATORY DISCREPANCY

In the event there is a discrepancy between a state amendatory endorsement attached to this Policy and any term or condition of this Policy, if permitted by law and the public policy of the state of domicile of the **Named Insured**, the **Insurer** shall apply those terms and conditions which are more favorable to the **Insured**.

Endorsement

Issued To: Jasper Heights Condominium Association

Issued By: Hanover Insurance Company | Endorsement Number: 2517168

Policy Number: BDW-M104412-01 | Effective Date: 07/20/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Common Terms and Conditions (and all Coverage Parts as purchased)

OREGON STATE AMENDATORY ENDORSEMENT

In consideration of the premium charged it is agreed that:

A. The Common Terms and Conditions is amended as follows:

1. Section XVIII. Termination of Policy, Subsection A. is deleted and replaced with:

    A. Twenty (20) days after the receipt by the **Named Insured** of a written notice of termination from the **Insurer** for any reason if the Policy has been in effect for sixty (60) days or less and is not a renewal policy; or

    Twenty (20) days after the receipt by the Named Insured of a written notice of termination from the Insurer for nonpayment of premium, unless such premium is paid within such twenty (20) day period; or

    Thirty (30) days after the receipt by the **Named Insured** of a written notice of termination from the **Insurer** if the Policy has been in effect for more than sixty (60) days or is a renewal policy and only for the reasons listed below:

    1. Fraud or material misrepresentation made by or with the knowledge of the **Named Insured** in obtaining this Policy, continuing this Policy or in presenting a **Claim** under this Policy;
    2. Substantial increase in the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision;
    3. Failure to comply with reasonable loss control recommendations;
    4. Substantial breach of contractual duties, conditions or warranties;
    5. Determination that the continuation of a line of insurance or class of business to which the Policy belongs will jeopardize the **Insurer's** solvency or will place the **Insurer** in violation of the insurance laws of Oregon or any other state;
    6. Loss or decrease in reinsurance covering the risk; or
    7. Any other reason approved by the Oregon Commissioner by rule.

2. Section XVIII. Termination of Policy is amended to include:

    This Policy may be non-renewed by the **Insurer** by sending written notice to the **Named Insured** at least forty-five (45) days prior to the expiration of the **Policy Period**. If the notice of nonrenewal is mailed less than forty-five (45) days before expiration, coverage shall remain in effect until forty-five (45) days after the notice is mailed. Earned premium for any period of coverage that extends beyond the expiration date shall be considered pro rata based upon the previous year's rate.

    Notice of termination or nonrenewal will be mailed to the **Named Insured** at the address shown on the Policy with a statement of the specific reasons for such termination or nonrenewal. A post office certificate of mailing will constitute conclusive proof that such notice was received on the third calendar day after the date of the certificate of mailing.

    In the event this Policy renews with less favorable terms or higher rates (this does not apply to terms or higher rates due to a change in approved rate plans), a renewal notice will be mailed by first class mail to the **Named**

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Hanover Executive Advantage Pro Common Terms and Conditions (and all Coverage Parts as purchased)

Insured, at least forty-five (45) days prior to the expiration of this Policy. If the **Insurer** fails to provide such notice, the **Named Insured** may elect to cancel the renewal Policy within the forty-five (45) day period following receipt of the notice. Earned premium for the period of time the renewal policy is in force will be calculated pro rata at the lower of the current or previous year's rate. If the **Named Insured** accepts the renewal, any premium increase or change in terms will be effective immediately following the prior Policy's expiration date.

B. The Private Company Directors, Officers and Entity Liability Coverage Part and Fiduciary Liability Coverage Part, as purchased, are amended as follows:

Exclusion IV.A.3. Conduct is deleted and replaced with:

3. Conduct

Based upon, arising out of or in any way related to:

a. Any deliberate and dishonest act or omission by an **Insured**;

b. Any deliberate and fraudulent act or omission by an **Insured**;

c. Any deliberate and criminal act or willful violation of any statute or regulation by an **Insured**;

d. Any **Insured Entity** gaining any profit, remuneration, or advantage to which such **Insured Entity** was not legally entitled; or

e. Any **Insured Individual** gaining any personal profit, remuneration, or advantage to which such **Insured Individual** was not legally entitled,

However, this exclusion shall not apply to:

1) **Defense Expenses**;

2) **Loss** for actual or alleged violations of Section 11, 12 or 15 of the Securities Act of 1933, as amended, constituting disgorgement, restitution or other uninsurable loss, or that portion of **Loss** attributable to such violations; or

Unless and until a final and non-appealable judgment or adjudication in any underlying proceeding or action establishes that an **Insured** committed such an act or omission, violation of statute or regulation or gained such profit, remuneration or advantage to which the **Insured** was not legally entitled;

C. The Not-For-Profit Directors, Officers and Entity Liability Coverage Part, if purchased, is amended as follows:

Exclusion IV.A.3. Conduct is deleted and replaced with:

3. Conduct

Based upon, arising out of or in any way related to:

a. Any deliberate and dishonest act or omission by an **Insured**;

b. Any deliberate and fraudulent act or omission by an **Insured**;

c. Any deliberate and criminal act or willful violation of any statute or regulation by an **Insured**;

d. Any **Insured Entity** gaining any profit, remuneration, or advantage to which such **Insured Entity** was not legally entitled; or

e. Any **Insured Individual** gaining any personal profit, remuneration, or advantage to which such **Insured Individual** was not legally entitled,

However, this exclusion shall not apply to **Defense Expenses** unless and until a final and non-appealable judgment or adjudication in any underlying proceeding or action establishes that an **Insured** committed such

Issued To: Jasper Heights Condominium Association

Issued By: Hanover Insurance Company

Endorsement Number: 2517168

Policy Number: BDW-M104412-01

Effective Date: 07/20/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Common Terms and Conditions (and all Coverage Parts as purchased)

an act or omission, violation of statute or regulation or gained such profit, remuneration or advantage to which the **Insured** was not legally entitled;

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Endorsement

Issued To: Jasper Heights Condominium Association

Issued By: Hanover Insurance Company

Endorsement Number: 2517168

Policy Number: BDW-M104412-01

Effective Date: 07/20/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Policy

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

In consideration of the premium charged it is agreed that:

A. If aggregate insured losses attributable to **Certified Acts of Terrorism**, so certified under the federal Terrorism Risk Insurance Act, exceed $100 billion dollars in a calendar year and the **Insurer** has met the **Insurer** deductible under the Terrorism Risk Insurance Act, the **Insurer** shall not be liable for payment of any portion of the amount of such losses that exceeds $100 billion dollars, 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. **Certified Act of Terrorism** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a **Certified Act of Terrorism** include the following:

   1. The act resulted in insured losses in excess of $5 million dollars 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.

C. 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 that is not otherwise excluded under this Policy.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

In consideration of the premium paid, in reliance upon the statements in the **Application** and subject to the Policy Declarations, limitations, conditions, definitions and other provisions of this Policy, including endorsements hereto, the **Insurer** and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

A. Fidelity

1. Employee Theft

The **Insurer** shall pay the **Insured** for loss of or damage to **Money**, **Securities** or **Other Property** sustained by an **Insured** resulting directly from **Theft** or **Forgery** committed by an **Employee**, whether identified or not, acting alone or in collusion with others.

2. ERISA Fidelity

The **Insurer** shall pay an **Employee Benefit Plan** for loss of **Money**, **Securities** or **Other Property** sustained by such **Employee Benefit Plan** resulting directly from fraudulent or dishonest acts, including larceny, **Theft**, embezzlement, **Forgery**, misappropriation, wrongful abstraction, wrongful conversion and willful misapplication, committed by a **Fiduciary** of any **Employee Benefit Plan**, whether identified or not, acting alone or in collusion with others.

3. Clients' Property

The **Insurer** shall pay the **Insured** for loss of or damage to **Money**, **Securities** or **Other Property** sustained by the **Insured's Client** resulting directly from **Theft** committed by an identified **Employee**.

B. Forgery or Alteration

The **Insurer** shall pay the **Insured** for loss directly caused by **Forgery** or alteration of a **Financial Instrument** which is:

1. Made, drawn by or drawn upon the **Insured**;
2. Made or drawn by one acting as the **Insured's** agent, or

which is purported to have been so made or drawn.

If the **Insured** is sued for refusing to pay any written **Financial Instrument** on the basis that it has been forged or altered, and the **Insured** has the **Insurer's** written consent to defend against the suit, the **Insurer** will pay for any reasonable legal fees and expenses that the **Insured** incurs and pays in such defense. The amount that the **Insurer** will pay is in addition to the Limit of Liability applicable to this Insuring Agreement.

For the purposes of this Insuring Agreement, **Financial Instrument** includes a substitute check, as defined in the Check Clearing for the 21st Century Act, and shall be treated the same as the original it replaced.

C. Premises Coverage

The **Insurer** shall pay the **Insured** for loss sustained by the **Insured** resulting directly from:

1. **Robbery**, **Theft** or **Safe Burglary**, of **Money** or **Securities** committed by a **Third Party** inside the **Premises** or **Banking Premises**, or actual destruction or disappearance of **Money** and **Securities** located inside the **Premises** or **Banking Premises**;
2. Loss of or damage to **Other Property** resulting from an actual or attempted **Robbery** of a **Custodian** inside the **Premises**, or actual or attempted **Safe Burglary** inside the **Premises**;
3. Damage to the **Premises** or its exterior resulting from an actual or attempted **Robbery**, **Theft** or **Safe Burglary**; or
4. Damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **Premises** resulting from an actual or attempted **Theft**, **Robbery** or **Safe Burglary** of, or unlawful entry into such containers.

D. Transit Coverage

The **Insurer** shall pay the **Insured** for loss sustained by the **Insured** resulting directly from:

1. **Robbery** or **Theft** of **Money** and **Securities** committed by a **Third Party**, or destruction or disappearance of **Money** and **Securities**, while **In Transit** and including while temporarily within the living quarters of a **Messenger**.
2. **Robbery** or **Theft** of **Other Property** committed by a **Third Party**, or destruction, disappearance or damage of **Other Property**, while **In Transit**.

E. Computer Fraud

The **Insurer** shall pay the **Insured** for loss sustained by the **Insured** of **Money**, **Securities** and **Other Property** resulting directly from **Computer Fraud** committed by a **Third Party**.

F. Funds Transfer Fraud

The **Insurer** shall pay the **Insured** for loss of **Money** or **Securities** resulting directly from **Funds Transfer Fraud** committed by a **Third Party**.

G. False Pretenses Fraud

The **Insurer** shall pay the **Insured** for loss of **Money** or **Securities** resulting directly from **False Pretenses Fraud** committed by a **Third Party**. However, this insuring agreement does not apply to any loss of **Other Property** resulting from **False Pretenses Fraud**.

H. Credit, Debit or Charge Card Fraud

The **Insurer** shall pay the Insured for loss resulting directly from **Credit**, **Debit** or **Charge Card Fraud** committed by a **Third Party**.

I. Money Orders and Counterfeit Money

The **Insurer** shall pay the **Insured** for loss resulting directly from the **Insured** having accepted in good faith, in exchange for merchandise, **Money** or **Securities**:

1. **Money** orders issued by any post office, express company or bank that are not paid upon presentation; or
2. **Counterfeit Money** that is acquired during the regular course of business.

J. Personal Accounts Protection

1. Personal Accounts Forgery or Alteration

   The **Insurer** shall pay the **Insured** for loss resulting directly from **Forgery** or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **Money** that are:

   a. Made, drawn or purported to be made or drawn upon personal accounts of the **Executive**; or

   b. Made, drawn or purported to be made or drawn by someone acting as an agent of the **Executive**.

   For the purposes of this Insuring Agreement, a substitute check, as defined in the Check Clearing for the 21st Century Act, shall be treated the same as the original it replaced.

2. Identity Fraud Expense Reimbursement

   The **Insurer** shall reimburse the **Insured**, on behalf of the **Executive**, for **Identity Fraud Expense** incurred by an **Executive** as a direct result of any **Identity Fraud**.

II. COVERAGE EXPENSES

A. Investigative Expenses

1. The **Insurer** shall pay the **Insured** for **Investigative Expenses** to determine the amount of loss covered under any Insuring Agreement of this Coverage Part.
2. The **Insurer** shall pay the **Insured** for **Investigative Expenses** after settlement of covered loss, but solely in the event such covered loss is in excess of the Retention applicable to such covered loss.
3. The most the **Insurer** will pay for **Investigative Expenses** is the Limit of Liability stated in Item 9., Section II.A. of the Crime Insurance portion of the Policy Declarations. All **Investigative Expenses** paid by the **Insurer** shall be part of, and not in addition to, the Limit of Liability for the applicable Insuring Agreement as stated in Item 9., Section I. of the Crime Insurance portion of the Policy Declarations.

B. Data Restoration Expenses

1. The **Insurer** shall pay the **Insured** for reasonable **Restoration Expense** that the **Insured** incurs to restore or replace damaged or destroyed **Data** stored within the **Insured's Computer System** and which **Restoration Expense** directly resulted from a loss covered under Insuring Agreement I.E. Computer Fraud, I.F. Funds Transfer Fraud or I.G. False Pretenses Fraud.
2. Payment of reasonable **Restoration Expense** applies only if the **Insured** is unable to reproduce such **Data** from back-up data copies and will be made to the **Insured** upon the completion of the restoration of the damaged or destroyed **Data**, but solely in the event such covered loss is in excess of the Retention applicable to such covered loss.
3. The most the **Insurer** will pay for **Restoration Expenses** is the Limit of Liability stated in Item 9., Section II.B. of the Crime Insurance portion of the Policy Declarations. All **Restoration Expenses** paid by the **Insurer** shall be part of, and not in addition to, the Limit of Liability for the applicable Insuring Agreement as stated in Item 9., Section I. of the Crime Insurance portion of the Policy Declarations.

III. DEFINITIONS

Banking Premises means the interior of that portion of any building occupied by a banking institution or similar safe depository, including any night depository chute and any ATM machines owned by such banking institution wherever located.

Client means an entity or customer for which the **Insured** performs services for a fee or under written contract while that contract is in effect.

Client's Premises means the interior of that portion of any building the **Insured** occupies in conducting its business.

Computer Fraud means the unauthorized transfer, payment or delivery of **Money**, **Securities** or **Other Property** resulting directly from a **Malicious Attack**.

Computer System (see Section III. Definitions on the Common Terms and Conditions)

Counterfeit Money means an imitation of **Money** that is intended to deceive and to be taken as genuine.

Credit, **Debit or Charge Card Fraud** means the **Forgery** or alteration of, on or in, any written instrument required in connection with any transaction involving any credit, debit or charge card issued to the **Insured**, or at the **Insured's** request to any **Employee**.

Custodian means the **Insured**, or any of the **Insured** partners or **Members**, or any **Employee** while having care and custody of **Money**, **Securities** or **Other Property** inside the **Premises**, excluding any person while acting as a **Watchperson** or janitor.

Cyber Extortion Threat means a declaration made by an entity or natural person that they will or have gained access to an **Insured's Computer System** and intends to:

A. Cause the transfer, payment or delivery of any **Money, Securities, Digital Currency** or **Other Property**;
B. Sell or disclose **Personal Information** to another person or to an entity;
C. Alter, damage or destroy an **Insured's Entity's Data** while stored within an **Insured Entity's Computer System**;
D. Alter, damage, or destroy an **Insured Entity's Data** through the introduction of a computer virus or harmful code into the **Insured Entity's Computer System**; or
E. Impair or deny an **Insured's** Services,

Where there exists a demand for an extortion payment or a series of such payments as condition for the mitigation or removal of such **Cyber Extortion Threat**.

Data means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a **Computer System** including relate electronic instructions which direct the operations and functions of a **Computer System**.

Digital Currency (see Section III. Definitions on the Common Terms and Conditions)

Digital Signature means an electronic identifier created by computer, within, attached to, or logically associated with a record, and executed or adopted by a person with the intent to sign the record.

Discover, **Discovered** or **Discovery** means the time when an **Executive** or individual responsible for placing insurance, first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this Coverage Part has been or will be incurred and includes loss:

A. Where the details, act or acts causing or contributing to such loss may not yet be known;

B. Which does not exceed the Retention stated in the Crime Insurance portion of Item 9. of the Policy Declarations;

C. Which is sustained prior to the inception date of any coverage under this Coverage Part; or

D. Which is the subject of an actual or potential claim in which it is alleged that an Insured is liable to a **Third Party** under circumstances which, if true, would constitute a loss under this Coverage Part.

Electronic Signature means a **Digital Signature**, an electronic sound, symbol or process, within, attached to, or logically associated with a record and executed or adopted by a person with the intent to sign the record.

Employee means:

A. Any natural person:

   1. While in the **Insured's** service and for the first sixty (60) days immediately after termination of service, unless such termination is due to **Theft** or any other dishonest act committed by the **Employee**;

   2. Who the **Insured** compensates directly by salary, wages or commissions; and

   3. Who the **Insured** has the right to direct and control while performing services for the **Insured**.

B. Any natural person who is temporarily furnished to the **Insured**:

   1. To substitute for an **Employee** as set forth in paragraph A. above, who is on medical, military or other leave of absence; or

   2. To meet seasonal or short-term workload conditions;

while such person is subject to the **Insured's** direction and control and performing services for the **Insured.**

C. Any natural person who is leased to the **Insured** under a written agreement between the **Insured** and a labor leasing firm, to perform duties related to the conduct of the **Insured's** business, but does not mean a temporary employee as described in paragraph B. above.

D. Any natural person who is:

   1. A trustee, officer, employee, administrator or manager, except an administrator or manager who is an **Independent Contractor** of any **Employee Benefit Plan**; or

   2. A director or trustee of the **Insured** while that person is engaged in handling **Money**, **Securities** or **Other Property** of any **Employee Benefit Plan**.

   3. A partner of an **Insured Entity** while acting within the scope of the usual duties of an **Employee**.

      a. However, the **Insurer** will only pay that part of loss caused by a partner which exceeds the sum of:

         1) Any amounts an **Insured Entity** owes such partner;

         2) The value of that partner's partnership interest as determined on the date of **Discovery** of the loss by that partnership or any of its partners not in collusion with the partner causing the loss; and

         3) Any applicable Retention amount stated in the Crime Insurance portion of Item 9. of the Policy Declarations.

   4. A **Member** while acting within the scope of the usual duties of an **Employee**.

      a. However, the **Insurer** will only pay that part of loss caused by a **Member** which exceeds the sum of:

         1) Any amounts the **Insured Entity** owes such **Member**;

         2) The value of such **Member's** membership interest in the Limited Liability Company insured under this insurance as determined by the closing of that Limited Liability Company's books on the date of **Discovery** of the loss by that Limited Liability Company or any of its **Members** not in collusion with the **Member** causing the loss; and

3) The applicable Retention amount stated in the Crime Insurance portion of Item 9. of the Policy Declarations.

5. An **Independent Contractor** performing acts within the usual scope of duties of an **Employee** and while under the exclusive direction of an **Insured Entity** pursuant to a written contract.

E. Any natural person:

1. Who is a former:

a. **Employee**;

b. partner;

c. **Member**

d. **Manager**; or

e. **Executive**

retained as a consultant while performing services for the **Insured**;

2. Who is a non-compensated officer;

3. While performing non-compensated services usual and customary to the duties of an **Employee**;

4. While acting as a non-compensated fund solicitor during fund raising campaigns; or

5. Who is a student, guest student or intern pursuing studies or duties.

F. Any attorney retained by the **Insured**, while performing legal services for the **Insured**.

G. Any **Employee** of an entity merged or consolidated with the **Insured** prior to the effective date of this Policy.

H. Any of the **Insured's Managers**, directors or trustees while:

1. Performing acts within the scope of the usual duties of an **Employee**; or

2. Acting as a member of any committee duly elected or appointed by resolution of the **Insured's** board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on the **Insured's** behalf.

I. Any **Employee** included above while on military service.

However, **Employee** does not include any agent, broker, factor, commission merchant, consignee or representative of the same general character.

Employee Benefit Plan means any welfare or pension benefit plan sponsored by an **Insured Entity** whether or not subject to the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and as amended by the Pension Protection Act of 2006, which is operated solely by an **Insured Entity** or jointly by an **Insured Entity** and a labor organization for the benefit of **Employees**,

Executive means an **Insured Entity's** owner, natural person partner, member of the board of directors, member of the board of trustees, officer, risk manager, in-house general counsel, **Manager**, or **Member**.

False Pretenses Fraud means the fraudulent misrepresentation of a material fact, including but not limited to social engineering, pretexting, phishing, spear phishing or any other confidence trick, by a **Third Party** purporting to be an **Employee**, **Vendor** or **Client**, to an **Employee** who is authorized by an **Insured Entity** to transfer **Money** or **Securities** or instruct another **Employee** to transfer **Money** or **Securities**, which results in the transfer, payment or delivery of **Money** or **Securities** from the **Insured's Transfer Account**.

Fiduciary means any natural person who is an **Employee**, trustee, officer, member of the board of directors, **Member**, **Manager** or an administrator of any **Employee Benefit Plan** while that person is handling **Money**, **Securities** or **Other Property** that belongs to any **Employee Benefit Plan**.

Financial Instrument means checks, drafts or similar written promises, orders or directions to pay a sum certain in **Money**, that are made, drawn by or drawn upon an **Insured Entity** or by anyone acting as an **Insured Entity's** agent, or that are purported to have been so made or drawn.

Forgery means the signing of the name of another person or organization with intent to deceive. **Forgery** does not mean a signature which consists, in whole or in part, of one's own name signed with or without authority, in any capacity, for any purpose including a signature that is a mechanical or electronic reproduction of a handwritten signature produced by a mechanical check-writing machine or a computer printer.

Funds Transfer Fraud means fraudulent electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instructions (other than **Forgery** of a **Financial Instrument**), purportedly issued by the **Insured** to a financial institution to transfer, pay or deliver **Money** or **Securities** from the **Insured's Transfer Account**, but was in fact fraudulently issued without the **Insured's** knowledge and consent by a **Third Party**.

Identity Fraud means the act of knowingly transferring or using, without lawful authority, a means of identification of an **Insured** with the intent to commit, aid or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

Identity Fraud Expense means:

A. Costs incurred for notarizing identity theft affidavits or similar documents for credit agencies, financial institutions, merchants or other credit grantors that have required that such affidavits be notarized;

B. Costs incurred for certified mail to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors;

C. Costs incurred for long distance telephone calls to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors to report or discuss any actual **Identity Fraud**;

D. Lost wages, up to a maximum payment of one thousand dollars ($1,000.00) per week for a maximum period of five (5) weeks, as a result of absence from employment:

   1. To communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, merchants or other credit grantors;

   2. To complete identity theft affidavits or similar documents; or

   3. Due to wrongful incarceration arising solely from someone having committed a crime in the **Insured's** name; provided, that lost wages shall not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal;

E. Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;

F. Reasonable attorney fees incurred, with the **Insurer's** prior written consent, for:

   1. Defense of lawsuits brought against the **Insured** by financial institutions, merchants, other credit grantors or their collection agencies;

   2. The removal of any criminal or civil judgments wrongly entered against the **Insured**; or

   3. Challenging the accuracy or completeness of any information in a consumer credit report for the **Insured**;

G. Costs for daycare and eldercare incurred solely as a direct result of any **Identity Fraud Discovered** during the **Policy Period**; or

H. Advertising and public relations expenses incurred by the **Insured** to restore the **Insured's** business reputation as a result of an **Identity Fraud**.

However, **Identity Fraud Expense** does not include any expense or loss not listed in paragraphs A. through G. of this definition.

In Transit means being conveyed by the **Insured** outside the **Premises**, from one place to another and in the custody of a **Messenger**, an armored motor vehicle carrier, or another natural person authorized by the **Insured** to have custody of **Money**, **Securities** or **Other Property**.

Insured means any **Insured Entity** and any **Employee Benefit Plan**.

Investigative Expenses means reasonable and necessary expenses (expenses other than internal corporate costs such as **Employee** salaries and wages) incurred by the **Insured** with the **Insurer's** prior written consent to establish the amount of a covered loss. **Investigative Expenses** shall not include expenses incurred by any **Client**.

Malicious Attack means:

A. The unauthorized access to an **Insured's Computer System**, or introduction of a computer virus or harmful code into the **Insured's Computer System**, by a **Third Party** that results in **Computer Fraud**; or

B. Only with respect to Coverage Expense II.B. Data Restoration Expenses, damage to, destruction of, or deletion of **Data** or software within the **Insured's Computer System** by a **Third Party** who is not authorized to access the **Insured's Computer System**.

Malicious Attack does not mean **Cyber Extortion Threat** or **Privacy Violation**.

Manager means a person serving in a directorial capacity for a limited liability company.

Member means an owner of a limited liability company represented by its membership interest, who also may serve as a **Manager**.

Messenger means any **Executive**, **Member**, **Manager**, including a relative thereof, or **Employee** of an **Insured** while having care and custody of **Money**, **Securities** or **Other Property** outside the **Premises**.

Money means:

A. A medium of exchange in current use authorized or adopted by a domestic or foreign government as part of its currency, coins and bank notes in current use and having a face value, and precious metals in bullion form;

B. Travelers checks, register checks and money orders held for sale to the public.

However, **Money** does not include **Securities** or **Digital Currency**.

Other Property means any tangible property other than **Money** and **Securities** that has intrinsic value. **Other Property** does not include **Data**, **Computer Systems** or any property specifically excluded under this Coverage Part.

Premises means the interior of that portion of any building the **Insured** occupies in conducting business.

Restoration Expense means reasonable and necessary costs incurred by the **Insured** to reproduce **Data** and enable the **Insured** to restore the **Insured Computer System** to the level of operational capability that existed immediately preceding a **Malicious Attack**.

However, **Restoration Expense** does not include:

A. Internal corporate costs and expenses, including **Employee** remuneration and any costs related to any legal action;

B. Expenses incurred as a result of the reconstruction of **Data** recorded on media, including, but not limited to, magnetic or optical media if there are no file analysis, specifications or backups of **Data** held outside the **Premises**;

C. Expenses incurred as a result of the reconstruction of **Data** if the **Insured** knowingly uses illegal copies of programs;

D. Expenses incurred to render the **Data** usable by replacement processing equipment;

E. Expenses incurred to design, update or improve **Data** or to perfect their operation or performance;

F. Expenses incurred as a result of alteration in **Data** held on magnetic media due to the effect of magnetic fields, incorrect usage of the **Data**, or the obsolescence of the **Computer System**; or

G. Expenses incurred as a result of a **Cyber Extortion Threat**.

Robbery means the unlawful taking of **Money**, **Securities** or **Other Property** from the care and custody of a person by one who has:

A. Caused or threatened to cause that person bodily harm; or

B. Committed an obviously unlawful act witnessed by that person.

Safe Burglary means the unlawful taking of:

A. **Money**, **Securities** or **Other Property** from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or

B. A safe or vault from inside the **Premises**.

Securities means negotiable and nonnegotiable instruments or contracts representing **Money** or **Other Property** and includes:

A. Tokens, tickets, chips, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

B. Evidence of debt issued in connection with credit or charge cards, which cards are not issued by the **Insured**;

However, **Securities** does not include **Money** or **Digital Currency**.

Theft means the intentional unlawful taking to the deprivation of an **Insured** or **Client**.

Third Party means any natural person or entity other than an **Insured** or **Employee**.

Transfer Account means an account maintained by the **Insured** at a financial institution from which the **Insured** can initiate the transfer, payment or delivery of **Money** or **Securities**:

A. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

B. By means of written instructions (other than those described in Insuring Agreement I.B. of this Coverage Part) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

Vendor means a natural person or entity that has provided goods or services to an **Insured Entity** pursuant to a written agreement or other arrangement. **Vendor** does not mean a financial institution, bank, credit union, asset manager, broker-dealer, or any other financial institution, an armored motor vehicle company or any other similar entity.

Watchperson means any person the **Insured** retains specifically to have care and custody of **Money**, **Securities** or **Other Property** inside the **Premises**.

IV. EXCLUSIONS

A. Exclusions Applicable to All Insuring Agreements

This Coverage Part does not cover:

1. Prior Dishonesty

Loss caused by an **Employee** which is sustained by the **Insured** after an **Executive**, becomes aware of a **Theft** or any other dishonest or criminal act which is:

a. Valued at twenty-five thousand dollars ($25,000) or more, committed by such **Employee** while employed with or in the service of an **Insured**;

b. Valued at twenty-five thousand dollars ($25,000) or more, committed by such **Employee** prior to employment or service with an Insured; or

c. Committed more than ninety (90) days following the termination of such **Employee**;

2. Employees, Managers, or Executives

Loss resulting from **Theft** or any other dishonest act committed by an **Employee**, **Manager**, **Member** or **Executive** whether acting alone or in collusion with others or while performing services for the **Insured** or otherwise, except when covered under Insuring Agreements A.1., A.2. and A.3. of this Coverage Part;

3. Confidential Information

Loss resulting directly or indirectly from:

a. The unauthorized disclosure of the **Insured's** confidential information including, but not limited to, patents, trade secrets, **Data**, processing methods or customer lists; or

b. The unauthorized use or disclosure of confidential information of another person or entity which is held by the **Insured** including, but not limited to **Personal Information**;

4. Governmental Action

Loss resulting from expropriation, nationalization, seizure or destruction of **Money**, **Securities** or **Other Property** by order of governmental authority;

5. Indirect or Consequential Loss

Loss that is an indirect or consequential loss of any kind including, but not limited to, loss resulting from:

a. The inability to realize income that the **Insured** would have realized had there been no loss of or damage to **Money**, **Securities** or **Other Property**;

b. Payment of damages of any type for which the Insureds are legally liable. However, The **Insurer** will pay compensatory damages arising directly from a loss covered under this Coverage Part;

c. Payment of **Investigative Expenses** except when covered under Section II.A. Investigation Expenses;

d. Payment of **Restoration Expenses** except when covered under Section II.B. Data Restoration Expenses; and

e. Fines, penalties, multiple or punitive damages that the **Insured's** incur;

6. Legal Fees, Costs and Expenses

Fees, costs and expenses incurred by the **Insured** which are related to any legal action, except when covered under Insuring Agreement I.B. of this Coverage Part or by an **Executive** which result from **Identity Fraud**;

7. Trading

Loss resulting directly or indirectly from trading, whether in the **Insured's** name or in a genuine or fictitious account. However, the **Insurer** will pay for loss resulting directly from trading in a genuine or fictitious account when covered under Insuring Agreements A.1., A.2. or A.3. of this Coverage Part;

8. War and Military Action

Loss or damage resulting from:

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;

9. Kidnap, Ransom and Cyber Extortion

Loss, costs and expenses caused directly or indirectly by the transfer, payment or delivery of **Money**, **Securities**, **Digital Currency** or **Other Property**, which was induced by, based upon, arising out of or in any way related to a kidnap, ransom or other extortion payment surrendered to any person as a result of a threat to do bodily harm to any natural person, a threat to do damage to any **Other Property**, a **Cyber Extortion Threat**, or a threat to disclose **Personal Information** of any natural person or the **Insured**, except when covered under Insuring Agreement I.A. of this Coverage Part;

10. Identity Fraud

Identity Fraud Expenses resulting from **Theft** or other dishonest acts committed by an **Insured** whether acting alone or in collusion with others;

11. Privacy Violation

Fees, costs, fines, penalties and any other expenses or liabilities directly or indirectly caused by a **Privacy Violation**;

12. Digital Currency

Loss of **Digital Currency**;

13. Computer Fraud

Loss resulting directly or indirectly from **Computer Fraud**. However, the **Insurer** will pay for loss of **Money**, **Securities** and **Other Property** resulting directly from **Computer Fraud** when covered under Insuring Agreement I.E. Computer Fraud;

14. Funds Transfer

Loss resulting directly or indirectly from **Funds Transfer Fraud**. However, the **Insurer** will pay for loss of **Money** and **Securities** resulting directly from **Funds Transfer Fraud** when covered under Insuring Agreement I.F. Funds Transfer Fraud; or

15. False Pretenses

    Loss resulting directly or indirectly from **False Pretenses Fraud**. However, the **Insurer** will pay for loss of **Money** and **Securities** resulting directly from **False Pretenses Fraud** when covered under Insuring Agreement I.G. False Pretenses Fraud.

B. Exclusions Applicable to Insuring Agreement A. Fidelity

Insuring Agreement I.A. Fidelity does not cover:

1. Inventory Shortage

   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,

   however, where the **Insured** establishes wholly apart from such computations that the **Insured** has sustained a loss, then the **Insured** may offer the **Insured's** inventory records and actual physical count of inventory in support of the amount of loss claimed; or

2. Warehouse Receipts

   Loss resulting from the fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

C. Exclusions Applicable to Insuring Agreements I.C. Premises and I.D. Transit Coverage

Insuring Agreements I.C. Premises and I.D. Transit Coverage do not cover:

1. Accounting or Arithmetical Errors or Omissions

   Loss resulting from accounting or arithmetical errors or omissions;

2. Exchanges or Purchases

   Loss resulting from the giving or surrendering of **Money**, **Securities** or **Other Property** in any exchange or purchase;

3. Fire

   Loss or damage resulting from fire, however caused, except:

   a. Loss of or damage to **Money**, **Securities**; and

   b. Loss from damage to a safe or vault;

4. Money Operated Devices

   Loss of **Money**, **Securities** or **Other 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;

5. Motor Vehicles or Equipment and Accessories

   Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them;

6. Transfer or Surrender

   Loss of or damage to **Money**, **Securities** or **Other 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;

   b. As a result of a threat to do bodily harm to any person;

   c. As a result of a threat to do damage to **Money**, **Securities** or **Other Property**;

   d. As a result of a threat to introduce a denial of service attack into the **Insured's Computer System**;

   e. As a result of a threat to introduce a virus or other malicious instruction into the **Insured's Computer System** which is designed to damage, destroy or corrupt data or **Data** stored within the **Insured's Computer System**;

   f. As a result of a threat to contaminate, pollute or render substandard the **Insured's** products or goods; or

g. As a result of a threat to disseminate, divulge or utilize:

1) The **Insured's** confidential information; or

2) Weaknesses in the source code within the **Insured's Computer System**,

However, this Exclusion does not apply with respect to Insuring Agreement I.D. Transit Coverage, to loss of **Money**, **Securities** or **Other Property** while outside the **Premises** in the care and custody of a **Messenger**, if the **Insured**:

a) Had no knowledge of any threat at the time the conveyance began; or

b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat;

7. Vandalism

Loss from damage to the **Premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **Other Property** by vandalism or malicious mischief;

8. Voluntary Parting

Loss resulting from the Insured or anyone acting on the **Insured's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any **Money**, **Securities** or **Other Property**; or

9. Mail or Carrier for Hire

Loss of or damage to **Money**, **Securities** or **Other Property** while in the mail or in the custody of any carrier for hire other than an armored motor vehicle company;

D. Exclusions Applicable to Insuring Agreement I.E. Computer Fraud

Insuring Agreement I.E. Computer Fraud does not cover:

1. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards; or

2. Inventory Shortages

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.

V. DISCOVERY PERIOD

Subject to Section XV. Change in Control or Exposure of the Common Terms and Conditions and Section XI. Liability for Prior Losses of this Coverage Part, coverage under this Coverage Part is available for loss sustained at any time and **Discovered** during the **Policy Period**.

VI. EXTENDED PERIOD TO DISCOVER LOSS

The **Insurer** will pay the **Insured** for direct loss sustained prior to the effective date of cancellation of this Coverage Part and which is **Discovered** by the **Insured**:

A. No later than ninety (90) days from the date of that cancellation; and

B. No later than one (1) year from the date of that cancellation with regard to any **Employee Benefit Plan**.

However, this extended period to **Discover** loss terminates immediately upon the effective date of any other insurance policy obtained by the **Insured**, whether from the **Insurer** or another insurer, replacing in whole or in part the coverage afforded under this Coverage Part, whether or not such other insurance policy provides coverage for loss sustained prior to its effective date.

VII. DISCOVERY AND PROOF OF LOSS

A. Knowledge possessed by any **Insured** or **Discovery** by any **Insured** shall be deemed knowledge possessed by or **Discovery** by all **Insureds**.

B. Upon **Discovery**, the **Named Insured** shall provide the **Insurer** with written notice of any loss or potential loss as soon as practicable, but in no event later than one hundred eighty (180) days after an **Executive**, chief information officer or any person responsible for the management of the **Insured's** insurance claims, or any equivalent position, **Discovers** such loss or potential loss. The **Named Insured** shall:

1. Furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, within one hundred eighty (180) days after **Discovery**.
2. Submit to examination under oath at the **Insurer's** request;
3. Produce for the **Insurer's** examination all pertinent records; and
4. Cooperate with the **Insurer** in the investigation and settlement of any loss or claim.

VIII. LIMIT OF LIABILITY AND RETENTION

A. Limit of Liability

1. Regardless of the number of **Insureds** sustaining a loss, the most the **Insurer** will pay for each loss is the applicable Limit of Liability stated in the Crime Insurance portion of Item 9. of the Policy Declarations.
2. If a direct loss is covered under more than one Insuring Agreement, the maximum the **Insurer** will pay for such loss shall not exceed the largest Limit of Liability applicable under any such Insuring Agreements.
3. All loss resulting from a single act or any number of acts of the same **Employee** or **Third Party**, and all loss whether such act or acts occurred before or during the **Policy Period**, will be treated as a single loss and the applicable Limit of Liability stated in the Crime Insurance portion of Item 9. of the Policy Declarations will apply, subject to Section XI. Liability for Prior Losses.

B. Retention

1. The **Insurer's** liability under this Coverage Part applies only to that part of loss which is excess of the applicable Retentions stated in the Crime Insurance portion of Item 9. of the Policy Declarations.
2. If a loss is subject to different Retentions, in different Insuring Agreements, the applicable Retentions will be applied separately to each part of such loss but the sum of such Retentions shall not exceed the largest applicable Retention.
3. If an **Insured** receives payment under another policy or bond, after applying a deductible or retention for loss also covered under this Coverage Part, then the applicable Retention stated in the Crime Insurance portion of Item 9. of the Policy Declarations shall be reduced by the deductible or retention previously applied to such loss.

IX. ADDITIONAL PREMISES OR EMPLOYEES

If, during the **Policy Period**, the **Insured** establishes any additional **Premises** or hires additional **Employees**, other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of another entity, such **Premises** and **Employees** shall automatically be covered under this Coverage Part. Notice to the **Insurer** of an increase in the number of **Premises** or **Employees**, which did not result from a consolidation, merger, purchase or acquisition of another entity, need not be given and no additional premium need be paid for the remainder of the **Policy Period** stated in Item 2. of the Policy Declarations.

X. EMPLOYEE BENEFIT PLANS

A. If any **Employee Benefit Plan** is insured jointly with any other **Employee Benefit Plan** under this Coverage Part, the **Insured** or the Plan Administrator must select a Limit of Liability for Insuring Agreement I.A.2. ERISA

Fidelity that is sufficient to provide a Limit of Liability for each **Employee Benefit Plan** that is at least equal to that required by ERISA if each **Employee Benefit Plan** were separately insured.

B. The **Insurer's** maximum liability for all loss sustained by each **Employee Benefit Plan** shall not exceed the Limit of Liability applicable to Insuring Agreement I.A.2. stated in the Crime Insurance portion of Item 9. of the Policy Declarations, unless such Limit of Liability is less than the minimum limit of insurance required by **ERISA**. In such event, the Limit of Liability shall be amended in accordance with **ERISA** as follows:

   1. If the **Employee Benefit Plan** does not have any qualified employer securities within the meaning of **ERISA**, the Limit of Liability applicable to such covered loss shall be ten percent (10%) of the plan assets in the preceding reporting year, up to a maximum limit of liability of $500,000; or

   2. If the **Employee Benefit Plan** does hold qualified employer securities within the meaning of **ERISA**, the Limit of Liability applicable to such covered loss shall be ten percent (10%) of the plan assets in the preceding reporting year, up to a maximum limit of liability of $1,000,000;

   Provided that, in all events, the Limit of Liability applicable to Insuring Agreement I.A.2. stated in the Crime Insurance portion of Item 9. of the Policy Declarations shall never be less than $1,000.

C. If the **Named Insured** is an entity other than an **Employee Benefit Plan**, any payment the **Insurer** makes for loss sustained by any **Employee Benefit Plan** will be made to the **Employee Benefit Plan** sustaining the loss.

D. If two or more **Employee Benefit Plans** are Insureds under this Coverage Part, any payment for loss:

   1. Sustained by two or more **Employee Benefit Plans**; or

   2. Of commingled **Money**, **Securities** or **Other Property** of two or more **Employee Benefit Plans**;

   will be made to each **Employee Benefit Plan** sustaining loss in the proportion that the Limit of Liability required for each **Employee Benefit Plan** bears to the total Limit of Liability of all **Employee Benefit Plans** sustaining loss.

E. No retention shall apply to loss sustained by an **Employee Benefit Plan** covered under this Coverage Part.

XI. LIABILITY FOR PRIOR LOSSES

If this Coverage Part replaces a policy that provided the **Insured** with an extended period of time after termination in which to discover loss and which did not terminate at the time this Coverage Part became effective the **Insurer** will not pay for loss that occurred during the **Policy Period** of that prior policy which is **Discovered** by the **Insured** during the extended period to **Discover** loss unless the amount of loss exceeds the limit of liability and retention amount of that prior policy. In such case, the **Insurer** will pay for the excess loss subject to the terms and conditions of this Coverage Part. Any payment the **Insurer** makes for the excess loss will not be greater than the difference between the limit of liability and retention amount of that prior policy and the Limit of Liability stated in the Crime Insurance portion of Item. 9. of the Policy Declarations. The **Insurer** will not apply the **Retention** shown in the Crime Declarations to this excess loss.

XII. OWNERSHIP

A. Except as stated in XII.B. below, **Money**, **Securities** and **Other Property** covered under this Coverage Part shall only apply to **Money**, **Securities** and **Other Property** owned or leased by an **Insured** or for which the **Insured** is legally liable, or for which the **Insured** holds on its premises in any capacity whether or not the **Insured** is liable. However, the **Insurer's** liability, shall only apply to damage to **Premises** if the **Insured** is the owner of such **Premises** or is legally liable for such damage.

B. Solely with respect to Insuring Agreement I.A.3. Client Property, **Money**, **Securities** and **Other Property** covered under this Coverage Part applies only to **Money**, **Securities** and **Other Property** that a **Client** owns or leases, or for which the **Client** is legally liable while the **Money**, **Securities** and **Other Property** is inside the **Client's Premises**.

XIII. VALUATION

A. With respect to loss under this Coverage Part the **Insurer** shall pay:

1. The actual market value of lost, damaged or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which a loss is **Discovered**, or the cost of replacing **Securities**, whichever is less, plus the cost to post a Lost Instrument Bond;
2. The cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records;
3. The least of:
   a. The actual cash value of the **Other Property**; or
   b. The cost to repair or replace property, other than precious metals, with that of similar quality and value;

   At the time the Parent Organization complies with Section VII. Discovery and Proof of Loss, regarding the furnishing of proof of loss;
4. The United States of America dollar value of **Money** of the country in which the loss or damage occurred as determined by the rate of exchange published in *The Wall Street Journal* on the day the loss is **Discovered**;
5. The United States of America dollar value of any precious metals as determined by *The Wall Street Journal* Cash Prices, Precious Metals, on the day loss involving such precious metals is **Discovered**;

If there is no applicable rate of exchange published in *The Wall Street Journal* then payment under this Policy shall be made in the equivalent of United States of America dollars at the actual rate of exchange for such currency.

XIV. TERMINATION OF PRIOR BONDS OR POLICIES

Any prior bonds or policies issued by the **Insurer** or any subsidiary or affiliate of the Hanover Insurance Company shall terminate, if not already terminated, as of the inception of this Coverage Part.

XV. OTHER INSURANCE

If other valid and collectible insurance (other than a policy that is issued specifically as excess of this Coverage Part) is available to the **Insured** for loss covered under this Policy, then the insurance provided by this Coverage Part shall be excess of such other insurance regardless of whether or not such insurance is primary, contributary, excess, contingent or otherwise.

The Hanover Insurance Group™

Endorsement

Issued To: Jasper Heights Condominium Association

Issued By: Hanover Insurance Company

Policy Number: BDW-M104412-01

Endorsement Number: 2517168

Effective Date: 07/20/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Crime Insurance Coverage Part

NON-CUMULATIVE LIABILITY – PROPERTY MANAGER AS DESIGNATED AGENT

In consideration of the premium charged it is agreed that:

A. Insuring Agreement I.A.1. <u>Employee Theft</u> is amended to include:

If loss from an **Occurrence** is covered under this Insuring Agreement and **Other Insurance** and both this Coverage Part and such **Other Insurance** list the position of "property manager" (for the same property management company) as an agent who qualifies as an **Employee** under this Coverage Part and its endorsements, or as an **Insured**, and whether such loss is caused by an employee of such property manager acting alone or caused by multiple employees of such property manager acting in collusion, the insurance shall not be cumulative in amount but rather:

a. The **Insurer's** liability under this Insuring Agreement and such **Other Insurance**, with respect to any loss(es) for the same **Occurrence** shall not exceed the greater of either the Insuring Agreement I.A.1. <u>Employee Theft</u> Limit of Liability set forth in the Crime Insurance portion of Item 9. of the Policy Declarations or as amended by endorsement, or the applicable limit of liability of such **Other Insurance**; and

b. The **Insurer's** liability under this Insuring Agreement shall be in excess of the Employee Theft Retention set forth in the Crime Insurance portion of Item 9. of the Policy Declarations or the applicable retention or deductible of such **Other Insurance**, whichever is greater.

B. Solely for the purposes of this endorsement, Section III. Definitions is amended to include:

Occurrence means a single act or series of related acts that are covered under this Coverage Part and **Other Insurance** solely with respect to any property manager designated as an agent who qualifies as an **Employee** or **Insured** on this Coverage Part and **Other Insurance**.

Other Insurance means any other insurance policy or multiple insurance policies issued by the **Insurer** or an affiliate of The Hanover Insurance Group.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Endorsement

Issued To: Jasper Heights Condominium Association

Issued By: Hanover Insurance Company

Policy Number: BDW-M104412-01

Endorsement Number: 2517168

Effective Date: 07/20/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Crime Insurance Coverage Part

AGENT AS EMPLOYEE - EMPLOYEE THEFT SUBLIMIT OF LIABILITY

In consideration of the premium charged it is agreed that:

A. The Crime Insurance portion of Item 9. of the Policy Declarations is amended to include:

Agent of Insured Sublimit of Liability

Capacity of Agent: Property Manager

Agent Sublimit of Liability: $1,000,000

B. Solely for the purposes of this endorsement Section III. Definitions, **Employee** is amended to include:

Solely with respect to Insuring Agreement I.A.1. Employee Theft, **Employee** also includes any natural person, partnership or corporation the **Insured** appoints in writing to act as an agent in the capacity shown in the Crime Insurance portion of Item 9. of the Policy Declarations, while acting on the **Insured's** behalf or while in possession of covered **Money**, **Securities** or **Other Property**. Each agent who qualifies as an **Employee** and the partners, officers and employees of such agent are considered to be collectively one **Employee**. However, Exclusion IV.A.1., Prior Dishonesty, applies individually to each such agent.

C. Section VIII. Limit of Liability and Retention is amended to include:

The most the **Insurer** will pay for each loss is the Agent Sublimit of Liability stated in the Crime Insurance portion of Item 9. of the Policy Declarations, which is part of, and not in addition to, the Employee Theft Limit of Liability shown in the Crime Insurance portion of Item 9. of the Policy Declarations and is excess the applicable Retention.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Endorsement

Issued To: Jasper Heights Condominium Association

Issued By: Hanover Insurance Company

Endorsement Number: 2517168

Policy Number: BDW-M104412-01

Effective Date: 07/20/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Crime Insurance Coverage Part

CONDO AND HOA AUTOMATIC EMPLOYEE THEFT LIMIT INCREASE

In consideration of the premium charged it is agreed that:

Section VIII. Limit of Liability and Retention is amended to include:

In the event of a loss covered under Insuring Agreement I.A.1. Employee Theft, the Employee Theft Limit of Liability stated in the Crime Insurance portion of Item 9. of the Policy Declarations will automatically be increased by either twenty-five percent (25%) of the original Employee Theft Limit of Liability or to a total Limit of Liability of $125,000, whichever is less. In no event shall the automatically increased Employee Theft Limit of Liability be greater than $125,000 per loss.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism, as defined in the Terrorism Risk Insurance Act, as amended, (the "Act"), is included in your policy. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Act. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Act contains a $100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds $100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed $100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism as defined in the Act is $0, and does not include any charges for the portion of losses covered by the United States government under the Act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

First Named Insured Jasper Heights Condominium Association			Endorsement Number
Policy Symbol	Policy Number CM000004596-02	Policy Term 07/20/2026 to 07/20/2027	Effective Date
Issued By (Name of Insurance Company) Great Divide Insurance Comapny			

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:
DIRECTORS, OFFICERS AND CORPORATE LIABILITY INSURANCE COVERAGE SECTION
DIRECTORS, OFFICERS AND ORGANIZATION LIABILITY INSURANCE COVERAGE SECTION
FIDUCIARY LIABILITY INSURANCE COVERAGE SECTION
EXCESS INSURANCE POLICY
GENERAL LIABILITY COVERAGE PART
COMMUNITY ASSOCIATION LEADERS PROFESSIONAL LIABILITY INSURANCE POLICY – DIRECTORS AND OFFICERS LIABILITY COVERAGE
EMERGENCY MEDICAL SERVICES GENERAL LIABILITY COVERAGE PART

In consideration of the premium paid for this Policy, it is amended as follows:

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed $100 billion in a calendar year and the insurer has met its insurer deductible under the Terrorism Risk Insurance Act, the Insurer 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 consultation with the Secretary of Homeland Security 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.

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 that is otherwise excluded under this Policy.

Community Associations D&O Liability Program

Evidence of Insurance & Purchasing Group Membership

PRODUCER: B&A Insurance Solutions
6000 American Parkway
Madison, WI, 53783

NAMED INSURED:	**PROGRAM ADMINISTRATOR:**
Jasper Heights Condominium Association 6438 City West Parkway STE 200 Eden Prairie, MN, 55344	**McGowan Program Administrators** *(A Division of McGowan & Company, Inc.)* Old Forge Centre – 20595 Lorain Road Fairview Park, OH 44126 Ph: (440) 333-6300 / F: (440) 333-3214

ITEM 1. **COVERAGE PERIOD:** Effective 07/20/2026 To 07/20/2027 At 12:01 A.M. Standard Time At the Named Insured's Mailing Address Shown Above

POLICY NUMBER: CM000004596-02

ITEM 2. **INSURER:** Great Divide Insurance Company

ITEM 3. **LIMIT OF LIABILITY:**

$ 1,000,000	**Combined Limit of Liability - Each Wrongful Act** Applies to Coverage A, B and C (including defense costs)
$ 2,000,000	**Policy Aggregate** Applies to Coverage A, B, C and D
$ 1,000,000	**Defense Costs - In Addition to Combined Limit of Liability** Applies to Coverage D
$ 2,500	**Deductible - Each Wrongful Act** Applies to Coverage A, B, C and D
$ 2,500	**Deductible - Employment Practices - Each Wrongful Act**

ITEM 4. **FORMS, TERMS & CONDITIONS ATTACHED AT INCEPTION**:

See The "Forms and Endorsements" In Your Policy.

ITEM 5. IMPORTANT COVERAGE NOTES & ADDITIONAL TERMS, CONDITIONS & EXCLUSIONS:

(1) You Must Notify Us If You Have A Change In Operations Or Exposures Which Increases The Insurance Company's Risk Of Loss.

(2) This "Evidence Of Insurance & Purchasing Group Membership Agreement" Does Not Convey Or Modify Insurance Coverage. The Policy Is The Controlling Instrument With Regards To The Terms And Conditions Of Insurance Coverage. The Policy Will Also Contain Coverage Enhancement, Coverage Restrictions, And Exclusions. The Application Becomes A Material Part Of The Policy Of Insurance. This "Evidence Of Insurance & Purchasing Group Membership Agreement" Is Intended To Highlight The Pertinent Terms & Conditions Of Coverage, Provide A Detailed Statement Of Charges, And Convey Membership Terms And Conditions.

ITEM 6. SCHEDULE OF CHARGES:

Total Premium, Fees, Surcharges & Taxes (If Applicable): $ 1,044.57

Premium:	$	961.00	Charged By Insurance Company
Purchasing Group Membership Fee:	$	83.57	Charged By Purchasing Group
Surplus Lines Tax:	$	0.00	Charged By State
Stamping Fee:	$	0.00	Charged By State
Other State Or Municipal Surcharge:	$	0.00	Charged By State Or Municipality
Loss Control Inspection Fee:	$	0.00	Charged By Program Administrator Or Inspection Service

Purpose & Effect Of "Application For Insurance & Purchasing Group Membership." By Signing An "Application For Insurance & Purchasing Group Membership" (Hereinafter "Application"), Applicant Agreed: (1) To Become A Member Of Community Associations PG, Inc. (Hereinafter "PG"); (2) To Participate In A Program Of Insurance Designed Exclusively For The Members Of PG; (3) To Accept, Abide By, And Be Bound By The "Terms & Conditions Of Insurance" Posted At www.purchasinggroups.com; (4) To Accept, Abide By, And Be Bound By The "Membership Agreement – Terms & Conditions Of Membership" Posted At www.purchasinggroups.com; (5) To Pay All Premiums (Including Audit And Additional Premiums, If Applicable), Fees (Including Broker & Purchasing Group Membership Fees), And State & Federal Taxes & Surcharges (If Applicable) When Due; (6) That Any Additional Material Supplied By Applicant Or Applicant's Insurance Broker To The Managing General Underwriter For A Given Program Of Insurance Becomes A Material Part Of The Application For Insurance; (7) That The Application Which It Signed Was The Basis Of The Contract [Policy &/Or "Evidence Of Insurance & Purchasing Group Membership" (Hereinafter "EOI")], Whether Or Not Said Application Was/Is Attached To The Policy &/Or EOI; (8) That The Application Is A Material Part Of The Policy &/Or EOI, Whether Or Not It Is Attached To The Policy &/Or EOI; And, (9) That The Application Is Considered Attached To The Policy &/Or EOI For Legal Purposes, Whether Or Not It Is Physically Or Electronically Attached To The Policy &/Or EOI.

Disclosure Regarding Shared Limits. Members Do Not Share Limits And Each Member Is Provided With Its Own Policy &/Or EOI.

Disclosure Pursuant To Federal Law Regarding Purchasing Groups [U.S.C. 15 3901, Et Seq.] PG Is A "Purchasing Group," As Defined Under Federal Law, Formed To Purchase Liability Insurance On A Group Basis For Its Members To Cover The Similar Or Related Liability Exposure(s) To Which The Members Of PG Are Exposed By Virtue Of Their Related, Similar, Or Common Business Or Service. Members Do Not Share Limits And Each Member Is Provided With Its Own Policy &/Or EOI.

Disclosure Pursuant To Terrorism Risk Insurance Program Reauthorization Act of 2007. By Signing Below, Applicant Agrees That It Has Read And Understands The "Disclosure Pursuant To The Terrorism Risk Insurance Program Reauthorization Act of 2007" Which Appears At www.purchasinggroups.com.

To Learn More. Please Visit www.purchasinggroups.com, Which Contains More Information About Your Purchasing Group And Purchasing Groups, In General, As Well As Your Insurance Coverage, Premiums, Fees, Taxes, The MGUs' Income, And Your Insurance Broker's Income.

Issue Date: 07/20/2026

GREAT DIVIDE INSURANCE COMPANY

(a Capital Stock Insurance Company)
7233 E. Butherus Drive
Scottsdale, AZ 85260

Administrative Offices: 233 South Wacker Drive, Suite 3900, Chicago, IL 60606

COMMUNITY ASSOCIATION LEADERS PROFESSIONAL LIABILITY INSURANCE

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY. COVERAGE IS LIMITED TO LIABILITY FOR CLAIMS FIRST MADE AGAINST YOU AND REPORTED TO US WHILE THE COVERAGE IS IN FORCE. NOTE: THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE AFTER EXHAUSTION OF THE DEFENSE COSTS LIMIT OF LIABILITY UNDER COVERAGE PART D. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS POLICY COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

Throughout this Policy the words **We**, **Us** and **Our** refer to the Company providing this insurance. **You** and **Your** mean the **Insureds.**

Other words and phrases that appear in boldface have special meaning. Refer to SECTION II. DEFINITIONS.

In consideration of the premium paid and in reliance upon the statements in the Application completed by the **Insureds**, and upon the Declarations, and subject to its terms, conditions, and exclusions of the Policy and any amendments thereto, **We** and the **Insureds** agree as follows:

SECTION I. INSURING AGREEMENTS

Coverage Part A. Individual Insured Insurance

We shall pay on behalf of an **Individual Insured** all **Loss** the **Individual Insured** is legally obligated to pay arising from a **Claim** first made against an **Insured** during the **Policy Period** and reported to **Us** in writing during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act** in the **Insured's** capacity as an **Individual Insured** of the **Organization** except when and to the extent that the **Organization** has indemnified the **Individual Insured**. The **Wrongful Act** shall take place on or after the **Continuity Date** and before the end of the **Policy Period.**

Coverage Part B. Organization Indemnification Reimbursement Insurance

We shall pay on behalf of the **Organization** all **Loss** an **Organization** has indemnified an **Individual Insured** for arising from a **Claim** first made against the **Insured** during the **Policy Period** and reported to **Us** in writing during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act** committed in the **Individual Insured's** capacity for the **Organization** but only to the extent that the **Organization** has indemnified such **Individual Insured** for such **Loss** pursuant to law, common or statutory, or contract, or the Charter or By-laws of the **Organization** duly effective under such law which determines and defines such rights of indemnification. The **Wrongful Act** shall take place on or after the **Continuity Date** and before the end of the **Policy Period**.

Coverage Part C. Organization Insurance

We shall pay on behalf of an **Organization** all **Loss** an **Organization** is legally obligated to pay arising from a **Claim** first made against an **Organization** during the **Policy Period** and reported to **Us** in writing during the **Policy Period** or the Extended Reporting Period, if applicable, resulting from a **Wrongful Act**. The **Wrongful Act** shall take place on or after the **Continuity Date** and before the end of the **Policy Period**.

Coverage Part D. Defense Provisions

We shall have the right and duty to defend and control any **Claim** made against an **Insured** based upon or arising out of any actual or alleged **Wrongful Act(s),** even if such **Claim** is groundless, false or fraudulent. However, **We** shall have no obligation to defend any **Claim** after the Limit of Liability or any applicable Sublimit of Liability has been exhausted.

We shall have the right to investigate and/or settle any **Claim** against an **Insured** that **We**, in **Our** sole discretion, believe is proper. The **Insured(s)** shall give **Us** his/her/their full cooperation and such information as it may reasonably require in connection with its defense, investigation, and/or settlement of any **Claim(s).**

The **Insured(s)** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** without **Our** prior written consent. Only those settlements, stipulated judgments and **Defense Costs** which have been consented to by **Us** shall be recoverable as **Loss** under the terms of this policy; provided, however, that in all events **We** may withhold consent to any settlement, stipulated judgment or **Defense Costs**, or any portion thereof, to the extent such **Loss** is not covered under the terms of this policy.

If **We** recommend a settlement within the policy's applicable Limit of Liability which is acceptable to the claimant (a "Settlement Opportunity"), and the **Insured(s)** consents to such settlement, then the **Organization's** applicable Deductible amount shall be retroactively reduced by ten percent (10%) for such **Loss**. It shall be a condition to such reduction that the **Insured(s)** must consent to such settlement within thirty (30) days of the date the **Insured(s)** is first made aware of the Settlement Opportunity, or in the case of a Settlement Opportunity which arises from a settlement offer by the claimant, then within the time permitted by the claimant to accept such settlement offer, but in all events no later than thirty (30) days after the settlement offer was made.

However, if a Settlement Opportunity arises and the **Insured(s)** does not consent to the settlement within the time prescribed above, the Deductible amount shall remain the applicable amount set forth in Item 4 of the Declarations even if consent is given to a subsequent Settlement Opportunity.

Furthermore, in the event the **Insured(s**) does not consent to the First Settlement Opportunity within the time prescribed, then, subject to the applicable Limit of Liability, **Our** liability for all **Loss** on account of such **Claim** shall not exceed: (1) the amount for which the **Insurer** could have settled such **Claim** plus **Defense Costs** incurred as of the date such settlement was proposed in writing by **Us** ("Settlement Opportunity Amount"), plus (2) 50% of covered **Loss** in excess of such Settlement Opportunity Amount, it being a condition of this insurance that the remaining 50% of such **Loss** excess of the Settlement Opportunity Amount shall be carried by the **Organization** and the **Insured(s)** at their own risk and shall not be covered under this Policy. Notwithstanding the foregoing, this paragraph shall not apply until the Settlement Opportunity Amount exceeds the Deductible amount stated in Item 4 of the Declarations. The First Settlement Opportunity shall be deemed to include any proposed agreement by **Us** and claimant(s) or plaintiff(s) to enter into a binding arbitration or mediation of the **Claim**.

SECTION II. DEFINITIONS

A. **Claim** means:

(1) a written demand for monetary, non-monetary or injunctive relief (including any request to toll or waive any statute of limitations) is received by an Insured; or

(2) a civil proceeding commenced by the service of a suit, complaint or similar pleading; or

(3) a formal civil administrative hearing, arbitration or regulatory proceeding commenced by the filing of a notice of charges or investigative order or similar document is received by an **Insured.**

B. **Community Association Management Entity** means an entity, sole proprietor or **Community Association Management Entity Employee** providing community association property management services to the **Organization** pursuant to a contract.

C. **Community Association Management Entity Employee** means an individual employed and compensated by a **Community Association Management entity** to provide community association property management services to the **Organization** pursuant to a contract.

D. **Community Association Management Wrongful Act** means a **Wrongful Act** allegedly committed by a **Community Association Management Entity** or **Community Association Management Entity Employee** while providing community association property management services to the **Organization** pursuant to a contract and includes a **Claim** where the **Community Association Management Entity** or **Community Association Management Entity Employee** is alleged to be vicariously responsible for the **Wrongful Act** of another **Insured.** However, a **Community Association Management Wrongful Act** does not include an **Employment Practice Claim** brought by a **Community Association Management Entity Employee**.

E. **Continuity Date** shall mean the earliest date the **Named Organization** was formed by the filing of articles of incorporation or other statutory method of formation.

F. **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 any of the following: faulty or incorrect design of architectural plans; improper soil testing; inadequate or insufficient protection from subsoil or earth movement or subsidence; construction, manufacture or assembly of any tangible property; failure to provide construction-related goods or services as represented or to pay for such goods or services; or supervision of such activities.

G. **Defense Costs** means reasonable and necessary fees, costs and expenses consented to by **Us** (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and appeal of a **Claim** against the **Insureds**, but excluding salaries of **Individual Insureds**.

H. **Employee(s)** mean any employee of the **Organization**, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal, and temporary employee of the **Organization** in his or her capacity as such. Any other individual who is a leased employee for the **Organization** shall also be an employee, but only if the **Organization** provides or is required to provide indemnification to such individual pursuant to a written contract, in the same manner as that provided to the **Organization's** employees.

It is further understood and agreed that the coverage provided for leased employees shall only apply to **Wrongful Acts** of such leased employees occurring when they are acting pursuant to a written contract and in the course and within scope of the performance of work for the **Organization**, but only if and to the extent the **Organization** is contractually required to indemnify such leased employees in the same manner as is provided to its employees.

I. **Employment Practices Claim** means a **Claim** alleging an **Employment Practices Wrongful Act**.

J. **Employment Practices Wrongful Act(s)** means any actual or alleged:

(1) wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied contract;

(2) harassment (including sexual harassment whether “quid pro quo”, hostile work environment or otherwise);

(3) discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy, or disability);

(4) **Retaliation** (including lockouts);

(5) employment-related misrepresentation(s) to an **Employee** or applicant for employment with the **Organization**;

(6) employment-related libel, slander, humiliation, defamation or invasion of privacy;

(7) wrongful failure to employ or promote;

(8) wrongful deprivation of career opportunity, wrongful demotion or negligent **Employee** evaluation, including the giving of negative or defamatory statements in connection with an employee reference;

(9) wrongful discipline;

(10) failure to provide or enforce adequate or consistent organizational policies or procedures relating to any **Employment Practices Wrongful Act**;

(11) violation of an individual's civil rights relating to any of the above,

but only if the **Employment Practices Wrongful Act** relates to an **Individual Insured**, or applicant for employment, with the **Organization** or an **Outside Entity,** whether direct, indirect, intentional or unintentional.

K. **Financial Insolvency** means: (1) entering into proceedings in bankruptcy or (2) becoming a debtor in possession; or (3) the taking of control, the supervision of, or the managing or liquidating the financial affairs of such entities by a receiver, conservator, liquidator, trustee, rehabilitator, or similar official.

L. **First Named Insured** means the **Named Organization** designated in Item 1 of the Declarations.

M. **Individual Insured(s)** means a past, present or future duly elected or appointed director, officer, trustee, committee member (of a duly constituted committee of the Organization), **Employee** or volunteer of the **Organization**. Coverage will automatically apply to all new persons who become **Individual Insureds** after the inception date of this policy.

N. **Insured(s)** means the **Organization** and all **Individual Insureds**.

O. **Loss** means damages (including back pay and front pay), judgments, settlements, pre- and post-judgment interest, the multiple or liquidated damages awards under the Age Discrimination in Employment Act and the Equal Pay Act and **Defense Costs**; however, **Loss** shall not include: (1) any amount for which the **Insureds** are not financially liable or which are without legal recourse to the **Insureds**; (2) employment-related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation; (3) any liability or costs incurred by any **Insured** to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person, or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar relating to an **Employment Practices Claim**; or (4) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed; (5) the costs of compliance with any order entered in a matter arising out of a **Claim** seeking injunctive relief or non-monetary damages and relief.

Loss shall specifically include (subject to the policy's other terms, conditions and exclusions) punitive, exemplary and multiple damages subject to any limitation provided by State law, It is further understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable State law for punitive, exemplary and multiple damages. Notwithstanding the foregoing, coverage shall not be provided to any particular **Insured** who has been adjudicated to have obtained a profit or advantage or committed a fraudulent or dishonest act or a willful violation of any statute, rule or law.

P. **No Liability** means: (1) a final judgment of no liability obtained prior to trial, in favor of all **Insureds**, by reason of a motion to dismiss or a motion for summary judgment, after the exhaustion of all appeals; or (2) a final judgment of no liability obtained after trial, in favor of all **Insureds**, after the exhaustion of all appeals. In no event shall the term "No Liability" apply to a **Claim** made against an **Insured** for which a settlement has occurred.

Q. **Non-Employment Discrimination** means any actual or alleged sexual harassment or unlawful discrimination, as described in paragraphs (2) and (3) of the definition of **Employment Practices Wrongful Act**, or the violation of the civil rights of a person relating to such sexual harassment or discrimination, when such acts are alleged to be committed against anyone other than an **Individual Insured**, or applicant for employment with the **Organization**

or an **Outside Entity**, including but not limited to: customers, suppliers, invitees, renters, potential renters and purchasers of the **Organization's** units and/or apartments.

R. **Organization** means: (1) the **Named Organization** designated in Item 1 of the Declarations; (2) any **Subsidiary** thereof; and (3) any **Community Association Management Entity**.

S. **Outside Entity** means a not-for-profit organization, other than a **Subsidiary**, on which an **Individual Insured** serves, at the specific written request of the **Organization**, as a director, trustee, trustee emeritus or governor. Such coverage as is provided by this policy shall be specifically excess of any insurance in force as respects such **Outside Entity** and any indemnification provided by such **Outside Entity**.

T. **Policy Period** means the period of time from the inception date shown in Item 3 of the Declarations to the earlier of the expiration date shown in Item 3 of the Declarations or the effective date of cancellation of this policy.

U. **Policy Year** means a period of one year, within the **Policy Period**, commencing each year on the day and hour first shown in Item 3. of the Declarations, or if the time between the effective date or anniversary and termination of the Policy is less than one year, then such lesser period.

V. **Related Wrongful Acts** shall mean **Wrongful Acts**, **Claims** or **Loss** arising from continuous, related, or repeated **Wrongful Acts** regardless of the number of claimants, **Claims**, **Losses** or **Insureds** against whom such **Claims** or Suits are made. For the purpose of this definition, **Wrongful Act** includes **Employment Practice Wrongful Act** and **Community Association Management Wrongful Act.**

W. **Retaliation** means a **Wrongful Act** of an **Insured** relating to or alleged to be in response to any of the following activities: (1) the disclosure or threat of disclosure by an **Employee** to a superior or to any governmental agency of any act by an **Insured** which is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder; (2) the actual or attempted exercise by an **Employee** of any right that such **Employee** has under law, including rights under worker's compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights; (3) the filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign "whistle-blower" law; or (4) Employee strikes. For the purpose of this definition, **Wrongful Act** includes **Employment Practice Wrongful Act** and **Community Association Management Wrongful Act.**

X. **Subsidiary** means:

1) any organization which, on or before the inception of the **Policy Period**, the **Organization** owns more than fifty percent (50%) of the voting interest, either directly, or indirectly through one or more of its **Subsidiaries**, or has, on or before the inception of the **Policy Period**, the right to elect or appoint more than fifty percent (50%) of the voting directors, or trustees, either directly or indirectly through one or more of its **Subsidiaries**,

2) any not for profit organization which becomes a **Subsidiary** during the **Policy Period** shall be provided coverage under this policy subject to the following conditions: the **Organization** (1) shall have provided **Us** with full particulars of the new Subsidiary; (2) shall have agreed to any additional premium or amendment of the terms and conditions of this policy required by **Us** relating to such new Subsidiary and, have paid when due any additional premium required by **Us** relating to such new Subsidiary.

In all events, such coverage as is afforded under this policy with respect to a **Claim** made against any **Subsidiary**, or any **Individual Insured** of a **Subsidiary**, shall only apply for **Wrongful Acts** committed or allegedly committed after the effective time that such **Subsidiary** became a **Subsidiary** and prior to the time that such **Subsidiary** ceased to be a **Subsidiary**.

Y. **Wrongful Act** means:

(1) with respect to Individual **Insureds**, any breach of duty, neglect, error, misstatement, misleading statement, omission or act by such **Insureds** in his/her respective capacities as such, or any matter

claimed against such **Individual Insured** solely by reason of his/her status as **Individual Insureds** of the **Organization**;

(2) with respect to the **Organization** under Coverage C, any breach of duty, neglect, error, misstatement, misleading statement, omission or act by or on behalf of the **Organization**;

(3) with respect to service on an **Outside Entity**, any matter claimed against such **Individual Insureds** arising out of such **Insured** serving as a director, trustee, trustee emeritus or governor of an **Outside Entity** in such capacity, but only if such service is at the specific written request or direction of the **Organization**;

(4) with respect to both the **Individual Insureds** and the **Organization** and subject to paragraphs Y (1), (2) and (3) above, **Wrongful Act** shall specifically include:

(a) **Employment Practices Wrongful Act**; or

(b) Non-Employment Discrimination; or

(c) **Community Association Management Wrongful Act**

(d) Libel, slander, defamation or publication or utterance in violation of an individual's right of privacy; or

(e) Wrongful entry or eviction or other invasion of the right of occupancy; or

(f) False arrest or wrongful detention; or

(g) Plagiarism; or

(h) Infringement of copyright or trademark or unauthorized use of title.

SECTION III. EXTENSIONS

Subject otherwise to the terms hereof, this policy shall cover **Loss** arising from any **Claims** made against the estates, heirs, or legal representatives of deceased **Individual Insureds**, and the legal representatives of **Individual Insureds** in the event of an **Individual Insured's** incompetency, insolvency or bankruptcy, who were **Individual Insureds** at the time the **Wrongful Acts** upon which such **Claims** are based were committed.

Subject otherwise to the terms hereof, this policy shall cover **Loss** arising from all **Claims** made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the United States of America) of an **Individual Insured** for all **Claims** arising solely out of his or her status as the spouse of an **Individual Insured**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the **Individual Insured** and the spouse, or property transferred from the **Individual Insured** to the spouse; provided, however, that this extension shall not afford coverage for any **Claim** for any actual or alleged **Wrongful Act** of the spouse, but shall apply only to **Claims** arising out of any actual or alleged **Wrongful Acts** of an **Individual Insured**, subject to the policy's terms, conditions and exclusions.

The lawful spouse of an **Individual Insured** under this policy shall also extend to any individual person's Domestic Partner of such **Individual Insured**.

The term "Domestic Partner" shall mean any individual person qualifying as such either (1) under the provisions of any applicable federal, state, or local law, or (2) under the provisions of any formal program established by the Named **Organization** or its **Subsidiaries**.

SECTION IV. EXCLUSIONS

The insurance provided does not apply to any **Claims, Damages, Loss** or **Defense Costs,** involving, caused by, based on, attributed to, arising out of or arising from, in consequence of, resulting directly or indirectly from, or in any way related to the following, regardless of whether any other cause, event, material condition or product contributed concurrently or in any other sequence to such **Claims, Damages, Loss** or **Defense Costs**:

A. The gaining of any profit or advantage to which any judgment, final adjudication adverse to the **Insured(s)**, or alternative dispute resolution proceeding establishes the **Insured(s)** were not legally entitled;

B. A plea of no contest or the committing of any criminal or deliberate fraudulent act if any judgment, final adjudication adverse to the **Insured(s)**, or alternative dispute resolution proceeding establishes that such criminal or deliberate fraudulent act occurred;

C. Any **Wrongful Act** or circumstance prior to the inception date of the declarations and subsequent to the **Continuity Date,** an **Insured** was aware or could have reasonably foreseen might result in a **Loss** or **Claim**.

D. Any fact, circumstance, situation, transaction, event, **Wrongful Act** which, before the inception date of this policy set forth in Item 3 of the Declarations, was the subject of any notice given under any other policy of directors and officers liability, similar management liability policy or general liability policy. With respect to **Community Association Management Entity**, the subject of any notice given by such **Community Association Management Entity** under any professional liability or general liability or similar insurance under which the **Community Association Management Entity** is an insured.

E. The same or **Related Wrongful Act** alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, under any policy in which the **Insured** against whom the **Related Wrongful Act** is being made was an **Insured** under the terms and conditions of that other policy.

F. As of the **Continuity Date**, any pending or prior: (1) litigation; or (2) administrative or regulatory proceeding or investigation; or the alleging of any **Wrongful Act** which is the same or a **Related Wrongful Act** to that alleged in such pending or prior litigation, administrative, regulatory proceeding or investigation;

G. To any actual or alleged act or omission of an **Individual Insured** serving in any capacity, other than with the **Organization** or as a director, trustee, trustee emeritus or governor of an **Outside Entity**;

H. Which is brought by or on behalf of the **Organization** against any **Insured**. This exclusion shall not apply to any derivative **Claim** made on behalf of the **Organization** by a member of the **Organization**, an attorney general or any other such representative party if such action is brought and maintained independently of and without the solicitation of, assistance of, or active participation of or intervention of any **Insured**;

I. Any **Wrongful Act** arising out of an **Individual Insured** serving as a director, trustee, trustee emeritus or governor of an **Outside Entity** if such **Claim** is brought by the **Outside Entity** or by any director, trustee, trustee emeritus or governor thereof;

J. Bodily injury, sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; provided, however, that this exclusion shall not apply to emotional distress or mental anguish where there are no allegations of bodily injury, sickness, disease, or death of any person;

K. (1) the actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**; or

(2) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, including, but not limited to, a **Claim** alleging damage to the **Organization**, its securities holders or members; provided, however, that this exclusion shall not apply to a non-Indemnifiable **Loss**, other than non-Indemnifiable **Loss** constituting **Cleanup Costs**.

As used herein, **Cleanup Costs** means expenses (including, but not limited to, legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of **Pollutants**.

As used herein, **Pollutants** means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and **Waste**. **Waste** includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and **Nuclear Materials**;

L. Violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), the Fair Labor Standards Act (except the Equal Pay Act) (FLSA), the National Labor Relations Act (NLRA), the Worker Adjustment and Retraining Notification Act (WARNA), the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Occupational Safety and Health Act (OSHA), any rules or regulations of the foregoing promulgated there under, and amendments thereto or any similar Federal, State, local or foreign statutory law or common law. However, this exclusion shall not apply to a **Claim** for **Retaliation**; provided further, however, there is no coverage provided under this policy for any **Claim** related to, arising out of, based upon, or attributable to the refusal, failure or inability of any **Insured(s)** to pay wages or overtime pay for services rendered (hereinafter, **Earned Wages**) (as opposed to tort-based back pay or front pay damages); or for improper payroll deductions taken by any **Insured(s)** from any **Employee(s)** or purported employee(s), including, but not limited to, (i) any unfair business practice claim alleged because of the failure to pay **Earned Wages**, or (ii) any **Claim** seeking earned Wages because any **Employee(s)** or purported employee(s) was improperly classified or mislabeled as an exempt employee;

M. Liability for **Loss,** except **Defense Costs** for a **Claim** for liability of an **Insured** under or for a breach of any express or implied contract or agreement or liability of others assumed under any contract or agreement. This exclusion shall not apply to liability which would have attached in absence of any express, implied or other agreement. Further, this shall not apply to liability arising out of an **Employment Practices Wrongful Act.**

N. Any purchase or sale of securities by or on behalf of the **Organization**, **Individual Insured,** or **Subsidiary** under any Federal, State or other governmental law or regulation or other similar law. This exclusion shall not apply to any **Claim** arising out of, or in any way relating to the purchase or sale of any of the **Organization's** cooperative shares, if it is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of any **Insured** .

O. Brought against any Insured which directly or indirectly relates, in whole or in part, to such Insured's capacity as: (a) a builder, developer, declarant or sponsor of the **Organization**, or (b) an affiliate of a builder, developer, declarant or sponsor of the **Organization;**

Including but not limited to any **Claim** based upon, arising from, or in consequence of any actual or alleged conflict of interest, self-dealing, or disputes relating to the construction or development of the **Organization**, the implementation and/or collection of assessments, or the establishment and/or maintenance of reserve accounts.

P. The **Hazardous Properties** of **Nuclear Material**, including but not limited to:

(i) **Nuclear Material** located at any **Nuclear Facility** owned by, or operated by, or on behalf of the **Organization**, or discharged or dispersed there from;

(ii) **Nuclear Material** contained in **Spent Fuel** or **Waste** which was or is at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of the **Organization**;

(iii) The furnishing by an **Insured** or the **Organization** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **Nuclear Facility**; or

(iv) **Claims** for damages to the **Organization** or its members which alleges, arises from, is based upon, is attributed to or in any way involves, directly or indirectly, the **Hazardous Properties** of **Nuclear Material**;

Q. Which is insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability underwriters, or Nuclear Insurance Association of Canada, or would be insured under any such policy but for its termination or exhaustion of its Limit of Liability;

R. 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) the **Organization** or 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 the United States of America, or any agency thereof, with any **Insured** or the **Organization**.

As used in exclusions **O.**, **P.** and **Q.** above, the below terms shall mean the following:

Hazardous Properties include radioactive, toxic or explosive;

Nuclear Material means **Source Material**, **Special Nuclear Material** or **Byproduct Material**;

Source Material, **Special Nuclear Material**, and **Byproduct Material** have the meanings given them in the Atomic Energy Act of 1954 or in 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 (1) containing **Byproduct Material** and (2) resulting from the operation by any person or Organization of any **Nuclear Facility** included within the definition of **Nuclear Facility** under paragraph (a) or (b) thereof;

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(s) at the premises where such equipment or 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; or

(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.

S. An **Individual Insured's** or an **Organization's** failure or omission to effect or maintain proper or adequate insurance coverage ("FTMI") provided, however, that this exclusion shall not apply to covered **Defense Costs** incurred in the defense of FTMI **Claim(s)**.

In addition, for the purposes of the applicability of this policy to any **Loss**, the **Organization** will be conclusively deemed to have indemnified the **Insured(s)** to the maximum extent that the **Organization** is permitted or required pursuant to law or contract or the charter, bylaws, operating agreement or similar documents of the **Organization** (which are hereby deemed to adopt the broadest provisions of the law which determines or defines such rights of indemnity). The **Organization** hereby agrees to indemnify the **Insured(s)** to the fullest extent permitted by law and pursuant to the terms and conditions of this policy; including the making in good faith any required application for court approval.

T. **We** shall not be liable to make any payments for **Loss** in connection with any **Claim(s)** made against any **Insured** alleging, arising out of, based upon or attributable to the ownership, management, maintenance and/or control by the **Organization** of any captive insurance company or entity, including but not limited to any **Claim(s)** alleging the insolvency or bankruptcy of the **Organization** as a result of such ownership, operation, management and control.

U. **We** shall not be liable to make any payment for **Loss** in connection with any **Claim(s)** made against any **Insured** alleging, arising out of, based upon or attributable to:

(i) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time domestic or foreign governmental or armed services officials, agents, representatives, employees or any members of their family or any entity with which they are affiliated;

(ii) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time officials, directors, agents, partners, representatives, members, principal shareholders, owners or employees, or affiliates (as that term is defined in the Securities Exchange Act of 1934, including any of their officers, directors, agents, owners, partners, representatives, principal shareholders or employees) or any customers of the **Organization** or any members of their family or any entity with which they are affiliated; or

(iii) political contributions, whether domestic or foreign.

V. Violation of the Sherman Antitrust Act or similar federal, state or local statutes or rules; or

W. Brought by or on behalf of an **Insured** against a **Community Association Management Entity.**

X. **Construction Defects.**

SECTION V. LIMIT OF LIABILITY

A. The Limits of Liability shown in the Declarations of this Policy and the information contained in this section indicate the most **We** shall pay under all Coverage Parts A, B and C regardless of the number of:

1. Persons or organizations covered by this Policy; or
2. **Claims** made or brought.

B. The Limit of Liability set forth in the Declarations of this Policy for Each **Wrongful Act** is the most **We** will pay for all **Loss** under Coverage Parts A, B and C that results from a single **Wrongful Act** regardless of the number of **Claims** or **Insureds** against whom a **Claim** has been made.

C. All **Insureds** will share and be subject to the same Each **Wrongful Act** Limit of Liability and Policy Aggregate Limit of Liability set forth in the Declarations.

D. The Limit of Liability set forth in the Declarations of this Policy as "Policy Aggregate" is the most **We** shall pay for all **Loss** and **Defense Costs** under Coverage Parts A, B, C and D resulting from **Claims** made during the **Policy Period**.

E. The Limit of Liability for **Defense Costs** for Coverage part D stated in the Declarations of this Policy shall be in addition to, and not part of, the Limit of Liability stated in the Declarations. **Loss** constituting **Defense Costs** shall first reduce the Limit of Liability stated in the Declarations for Coverage Part D. If the Limit of Liability stated in the Declarations under Coverage Part D becomes exhausted or if the Limit of Liability under Coverage Part D stated in the Declarations is zero, then subsequent **Defense Costs** will reduce the Policy Aggregate Limit of Liability stated in the Declarations.

F. For purposes of determining the Each **Wrongful Act** limit of this Policy, all **Claims** arising from **Related Wrongful Acts** shall be deemed to be one **Wrongful Act**, regardless of the number of claimants, **Claims** or **Insureds** against whom such **Claims** are made. In such instances, the Each **Wrongful Act** limit set forth in the

Declarations of this Policy is the most **We** shall pay for all such **Damages** that result from **Related Wrongful Acts** deemed to be one **Wrongful Act**. In a Suit naming more than one **Insured,** only one **Wrongful Act** Limit of Liability shall apply to that **Claim**. Only the Policy and its applicable Limits of Liability in effect when the first such **Claim** is first made shall apply to all such **Claims**.

G. All **Claims** arising out of one **Wrongful Act** shall be deemed to be made on the date that the first such **Claim** is made.

H. The Limits of Liability 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, unless the **Policy Period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period shall be deemed part of the last preceding **Policy Period** for purposes of determining the Limits of Liability.

SECTION VI. DEDUCTIBLE

We shall only be liable for the amount of **Loss** and **Defense Costs** arising from a **Claim** for a **Wrongful Act,** which is in excess of the Deductible amount(s) stated in the Declarations under Coverage Parts A, B, C and D. The Deductible amount shall be borne by the **Organization** and shall remain uninsured, with regard to all **Loss** for which the **Organization** has indemnified or is permitted or required to indemnify the **Individual Insureds** ("Indemnifiable Loss") and **Loss** under Coverage Part C. A single Deductible amount shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act** or **Related Wrongful Acts**. A separate deductible shall apply to **Employment Practices Wrongful Act(s)** as listed in the Declarations page**.**

Except as hereinafter stated, no Deductible shall apply to a **Claim** in the event of the **Financial Insolvency** of the Organization and all **Subsidiaries** which are permitted or required to indemnify an **Individual Insured** with regard to such **Claim**. Provided, however, the **Organization** hereby agrees to indemnify the **Insureds** to the fullest extent permitted by law taking all steps necessary in furtherance thereto, including the making in good faith of any required application for court approval and the passing of any required corporate resolution or the execution of any contract. The **Organization** and all **Subsidiaries** will be conclusively deemed to have indemnified the **Individual Insureds** to the extent that the **Organization** is permitted or required to indemnify them pursuant to law, common or statutory, or contract, or the charter or by-laws of the **Organization**.

SECTION VII. CONDITIONS

A. Action Against Us

No action shall lie against **Us** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the **Insureds'** obligation to pay shall have been finally determined either by judgment against the **Insureds** after actual trial or by written agreement of the **Insureds**, the claimant and **Us**.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join **Us** as a party to any action against the **Insureds** to determine the **Insureds'** liability, nor shall **We** be impleaded by the **Insureds** or their legal representatives.

B. Assignment

1. The interest of any **Insured** is not assignable. **You** shall not assign or transfer **Your** interest in this Policy without **Our** written consent attached to the Policy.

2. If **You** die, or are declared legally incompetent, **Your** rights and duties shall be transferred to **Your** legal representative, but only while acting within the scope of his duties.

C. Bankruptcy or Insolvency

An **Insureds** bankruptcy, insolvency or inability to pay, shall not relieve **Us** from the payment of any **Claim** covered by this Policy.

D. Cancellation and Nonrenewal

This Policy may be canceled by the **Named Organization** by surrendering to **Us** or any of our authorized agents or by mailing to us or any of our authorized agents' written notice stating when thereafter the cancellation shall be effective. Cancellation by a premium finance company is deemed to be a cancellation by the **Named Organization.** This Policy may be canceled by **Us** by mailing to the **Named Organization** at the address shown in this Policy written notice stating when, not less than 30 days thereafter such cancellation shall be effective. However, if **We** cancel this Policy because you have failed to pay a premium when due, this Policy may be canceled by **Us** by mailing a written notice of cancellation to the **Named Organization** at the address shown in this Policy, or the last address known to **Us** stating when, not less than 10 days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice.

The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice either by the **Named Organization** or by **Us** shall be equivalent to mailing. Cancellation by a premium finance company for failure to timely make premium installment payments shall be deemed a cancellation by you. If the **Named Organization** cancels, the unearned premium shall be computed in accordance with the customary short rate table. If **We** cancel, unearned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.

If **We** decide not to renew this policy, **We** will mail or deliver written notice of nonrenewal to the **Named Organization** at least 30 days before the expiration date. Any notice of nonrenewal will be mailed or delivered to the **Named Organization** at the last mailing address known to **Us**. The mailing of notice as aforesaid shall be sufficient proof of notice.

To the extent any term, condition, policy numbering and/or lettering conflicts with a State Cancellation/Non-Renewal Endorsement, the policy shall be deemed amended so as to conform to such Endorsement terms, conditions, numbering or lettering. In such event, all other conditions remain as stated.

E. Change of Control of Named Organization

If during the **Policy Period**:

1. The declarant, developer, builder, sponsor or other entity transfers control of the **Named Organization** to the unit owners;

2. The declarant, developer, builder, sponsor or other entity that controls the **Named Organization** transfers it interest voluntarily or involuntarily (by sale or through default or bankruptcy) to an entity other than the **Named Organization** Unit Owners;

3. The **Named Organization** shall consolidate with or merge into, or sell all or substantially all of its assets to, any other person or entity, or group of persons or entities acting in concert;

4. Any person or entity, or group of persons or entities, acting in concert shall acquire an amount of the voting interest representing more than fifty percent (50%) of the voting power for the election or appointment of directors or trustees of the **Named Organization**, or acquires the voting rights of such an amount of such interest; or

5. The **Named Organization** shall change from not-for-profit to for-profit status;

(any of the above events herein defined as the **Transaction**)

then this policy shall continue in full force and effect as to **Wrongful Acts** occurring prior to the effective time of the **Transaction**, but there shall be no coverage afforded by any provision of this policy for any actual or alleged **Wrongful Act** occurring after the effective date of the **Transaction**. This policy may not be canceled after the effective time of the **Transaction** and the entire premium for this policy shall be deemed earned as of such time. The **Named Organization** shall also have the right to an offer by **Us** of an Extended Reporting Period described in Section VII, Conditions, Letter I of the policy.

The **Named Organization** shall give **Us** written notice of the **Transaction** as soon as practicable, but not later than thirty (30) days after the effective date of the **Transaction**.

F. Conformance to Statute

To the extent a term of this Policy conflicts with a statute of the State within which this Policy is issued, the term shall be deemed amended so as to conform to minimum requirements of the statute.

G. Coverage Territory

Subject to the terms, conditions and limits of liability of this policy, **We** will cover a **Wrongful Act** or an **Employment Practices Wrongful Act** in the United States of America, its territories and possessions, Canada and Puerto Rico, provided a **Claim** is made for **Loss** brought in the United States of America, its territories and possessions, Canada or Puerto Rico.

H. Duties in the Event of an Incident, Claim or Facts and Circumstances

1. Any **Insured** shall, as a condition precedent to exercising rights under this Policy, give **Us** written notice as soon as practicable of a **Claim**, but in no event later than sixty (60) days after the end of the **Policy Period**, or Extended Reporting Period, if exercised; provided that in the event this Policy is cancelled by **Us** for non-payment of premium, no coverage will be available for any **Claim** of which notice is provided to **Us** after termination of the **Policy Period**.

2. If during the **Policy Period** an **Insured** becomes aware of facts or circumstances which could give rise to a **Claim** and give written notice of such facts and circumstances to **Us** as soon as practicable thereafter, but in no event later than sixty (60) days after the end of the **Policy Period**, then any **Claim** subsequently arising from such facts and circumstances shall be considered to have been made during the **Policy Year** in which the facts and circumstances were first reported to **Us.**

3. All **Insureds** shall, as a condition precedent to exercising their rights under this Policy, give **Us** such information and cooperation as it may reasonably require, including but not limited to a description of the **Claim** or facts and circumstance, the nature of the alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of the actual or potential claimants, and the manner in which such **Insured** first became aware of the **Claim** or facts and circumstances.

4. All **Related Wrongful Acts** will be treated as a single **Claim** made when the earliest of such **Related Wrongful Acts** was first made, or when the earliest of such **Related Wrongful Acts** is treated as having been made in accordance with the paragraphs (A) and (B) above.

5. The **Organization** and any other **Insured** shall:

   a. Immediately send **Us** copies of any demands, notices, summonses or legal papers received in connection with any **Claim**,

   b. Authorize **Us** to obtain records and other information,

c. Cooperate with **Us** in the investigation, settlement or defense of the **Claim** or Suit, and

d. 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.

4. No **Insured** shall, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without **Our** prior consent.

5. Notice to **Our** authorized representative shall be deemed to be notice to **Us**.

I. Extended Reporting Period

A. Automatic Limited Reporting Period

1. Subject to all of the terms and conditions set forth in this paragraph, the **Named Organization** shall have an automatic limited reporting period of sixty (60) days starting with the end of the **Policy Period** during which period, **Claims** arising out of **Wrongful Acts,** which take place on or after the **Continuity Date** but before the end of the **Policy Period** shall be first made or brought.

2. This limited reporting period shall not extend the **Policy Period** or change the scope of coverage provided. Administratively, **We** shall consider any **Claim** first made or brought during the limited reporting period to have been made on the last date on which this Policy is in effect but the Automatic Extended Reporting Period applies only to covered **Claims** from **Wrongful Acts** which take place on or after the **Continuity Date** and before the end of the Policy Period.

3. The limited reporting period shall apply only if this Policy is canceled or not renewed for any reason.

4. The limited reporting period shall not apply to **Claims** if other insurance the **Named Organization** buys covers them or would cover them if its Limits of Liability had not been exhausted.

5. The Limits of Liability that apply at the end of the **Policy Period** are not renewed or increased for **Claims** first made or brought during the limited reporting period.

B. Extended Reporting Period

1. If the **Named Organization** or **We** cancel, terminate or do not renew this Policy, the **Named Organization** shall have the right to buy for an additional premium an Extended Reporting Period Endorsement. If **We** cancel the Policy due to nonpayment of premium, the purchase of the Extended Reporting Endorsement is conditioned upon the payment of any premium for the expiring **Policy Period** which is owed and has not yet been paid. The **Named Organization** shall have the right to purchase an extended reporting period of one, two or three years after the effective date of such cancellation or nonrenewal.

2. The Extended Reporting Period Endorsement applies only to covered **Claims** from **Wrongful Acts** which take place on or after the **Continuity Date** and before the end of the **Policy Period**.

3. To obtain an Extended Reporting Period Endorsement the **Named Organization** shall request it in writing within sixty (60) days after the **Policy Period** ends and pay the premium when due. Once issued, an Extended Reporting Period Endorsement cannot be canceled. If **We** do not receive the **Named Organizations** written request within sixty (60) days after the **Policy Period** ends and payment of the additional premium when due, the **Named Organization** may not exercise this right at a later date.

4. The Limits of Liability that apply at the end of the **Policy Period** are not renewed or increased for **Claims** first made or brought during the extended reporting period.

5. The Additional Premium Amount for: (1) one year shall be 75% of the **full annual premium**; (2) two years shall be 125% of the **full annual premium**; (3) three years shall be 200% of the **full annual premium**. As used herein, **full annual premium** means the premium level in effect immediately prior to the end of the **Policy Period**.

6. An Optional Extended Reporting Period Endorsement is available in the event of a **Transaction** as defined in Section VII, Conditions, Letter E. The **Named Organization** shall have the right, within sixty (60) days before the end of the **Policy Period**, to request an offer from **Us** of an Extended Reporting Period (with respect to **Wrongful Acts** occurring prior to the effective time of the **Transaction**) for a period of no less than six years or for such longer or shorter period as the **Named Organization** may request. **We** shall offer such Extended Reporting Period pursuant to such terms, conditions and premium as **We** may reasonably decide. In the event of a **Transaction**, the right to an Extended Reporting Period shall not otherwise exist except as indicated in this paragraph.

J. Office of Foreign Assets Control ("OFAC")

If coverage for a **Claim** under this policy is in violation of any United States of America's economic or trade sanctions, laws, or regulations, including, but not limited to, sanctions, laws, and regulations administered and enforced by the U.S. Treasury Department's OFAC then coverage for that **Claim** or suit shall be null and void.

K. Other Insurance

We shall be excess over any other insurance including, but not limited to, any self-insurance. If there is other insurance which applies to the **Damages** resulting from a **Wrongful Act** the other insurance shall pay first. This Policy applies to the amount of **Damages** which is more than:

1. The Limits of Liability of the other insurance; and

2. The total of all deductibles and self-insurance amounts under all such other insurance.

We shall not pay more than **Our** Limits of Liability.

L. Premium Audit

We may examine and audit the books, records and operations of any **Insured** under this policy at anytime during the **Policy Period** and extension thereof and within 3 years after the final termination of the policy or any Extended Reporting Period, as far as they relate to the subject matter of this insurance.

M. Presumed Indemnification

For the purposes of the applicability of this policy to **Loss**, the **Organization** will be conclusively deemed to have indemnified the **Individual Insured(s)** to the maximum extent that the **Organization** is permitted or required to grant such indemnification pursuant to law, common or statutory, or contract or by the charter or by-laws of the **Organization** (which are hereby deemed to adopt the broadest provisions of the law which determined or defines such rights of indemnity). The **Organization** hereby agrees to indemnify the **Individual Insured(s)** to the fullest extent permitted by law including the making in good faith of any required application for court approval.

N. Priority of Payments

In the event of a **Loss** arising from or relating to any **Claim(s**) for which payment is due under the provisions of this policy, but which **Loss**, in the aggregate, exceeds the remaining available Limit of Liability of this policy, then this policy shall:

(i) first pay such **Loss** for which coverage is provided under Coverage Part A of the policy, then with respect to whatever remaining amount of the Limit of Liability is available after payment of such **Loss**, then

(ii) pay such **Loss** for which coverage is provided under Coverage Part B of the policy.

In the event of **Loss** arising from a **Claim(s)** for which payment is due under the provisions of this policy (including those circumstances described in the first paragraph of this clause), **We** shall at the written request of the Named **Organization**:

(i) first pay such **Loss** for which coverage is provided under Coverage Part A of the policy, then

(ii) either pay or hold payment for such **Loss** for which coverage is provided under **Coverage Part B** or Coverage Part C of the policy.

In the event that **We** withhold payment under Coverage Part B or Coverage Part C of the policy pursuant to the above request, then **We** shall, upon the written request of the **Organization**, release such **Loss** payment to the **Organization**, or make such **Loss** payment directly to **Individual Insured(s)** in the event of covered **Loss** under any **Claim(s)** covered under this policy pursuant to Coverage Part A.

Nothing in this Policy shall be construed to increase the Limit of Liability as set forth in the Declarations of this policy, which such Limit of Liability shall remain the maximum liability for all **Claim(s)** under all Coverage under this policy combined.

O. Representations and Warranties; Severability

1. The statements in the application for insurance, submission materials, and the Declarations are accurate and complete to the best of your knowledge and are based upon representations and warranties the **Insured's** made to **Us**; and

2. **We** have issued this Policy in reliance upon the **Insured's** representations, warranties and submission materials.

Any and all relevant provisions may be voided by **Us** in any case of fraud, intentional concealment, or misrepresentation of a material fact or circumstance by the **Insured's**.

3. With respect to such statements and representations, no knowledge or information possessed by any Individual Insured shall be imputed to any other Individual Insured. If any person who executed the application knew that such statement or representations was inaccurate or incomplete, such statement shall not be imputed to any such **Individual Insured** other than such signator and any other **Individual Insureds** who knew such statement or representations was inaccurate or incomplete.

P. Special Rights and Duties of The Named Organization:

The **Insured's** agree that when there is more than one person covered under this Policy, the **Named Organization** in the Declarations or Policy Administrator identified by Endorsement shall act on behalf of all **Insured's** as to:

1. Giving and receiving notice of cancellation;

2. Payment of premiums and receipt of return premiums;

3. Acceptance of any Endorsements to this Policy;

4. Purchasing or deciding not to purchase the Extended Reporting Period Endorsement;

6. Requesting changes in this Policy. This Policy can only be changed by a written Endorsement **We** issue and make part of this Policy.

Q. Titles of Paragraphs, Upper and Lower Case:

Titles of paragraphs are inserted solely for convenience of reference and shall not be deemed to limit, expand or otherwise affect the provisions to which they relate. As used in this Policy, use of upper and lower case fonts shall be deemed to include and mean either of the two, wherever necessary and vice versa.

R. Transfer of Rights of Recovery Against Others to Us

If an **Insured** has rights to recover all or part of any payment **We** have made under this Policy, those rights are transferred to **Us**. The **Insured** shall do nothing after loss to impair them. At **Our** request, the **Insured** shall bring suit or transfer those rights to **Us** and help **Us** enforce them.

IN WITNESS WHEREOF, We have caused this Policy to be signed by **Our** President and Secretary and countersigned where required by law on the Declarations Page by **Our** duly authorized representative.

Secretary	**President and Chief Executive Officer**

GREAT DIVIDE INSURANCE COMPANY
(A Capital Stock Insurance Company)
7233 E. Butherus Drive
Scottsdale, AZ 85260

Administrative Offices: 233 South Wacker Drive, Suite 3900, Chicago, IL 60606

A BERKLEY COMPANY®

COMMUNITY ASSOCIATION LEADERS PROFESSIONAL LIABILITY INSURANCE

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY. COVERAGE IS LIMITED TO LIABILITY FOR CLAIMS FIRST MADE AGAINST YOU AND REPORTED TO US WHILE THE COVERAGE IS IN FORCE. NOTE: THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE AFTER EXHAUSTION OF THE DEFENSE COSTS LIMIT OF LIABILITY UNDER COVERAGE PART D. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS POLICY COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

POLICY NUMBER: CM000004596-02 **RENEWAL OF POLICY NUMBER**: CM000004596-01

Item 1. NAMED ORGANIZATION: Jasper Heights Condominium Association

Item 2. MAILING ADDRESS: 6438 City West Parkway
STE 200
Eden Prairie, MN, 55344

Item 3. POLICY PERIOD: From: 07/20/2026 To: 07/20/2027
at 12:01 a.m. Standard Time at your mailing address shown above.

Item 4. LIMITS OF LIABILITY AND DEDUCTIBLE(S):

COMBINED LIMIT OF LIABILITY COVERAGE PARTS A, B, AND C

Each Wrongful Act	$ 1,000,000	
DEFENSE COST(S) COVERAGE PART D		
Defense Cost(s) Limit is in Addition to the Combined Limit of Liability	$ 1,000,000	
POLICY AGGREGATE COVERAGE PARTS A, B, C AND D		
	$ 2,000,000	
DEDUCTIBLE(S):		
Coverage A., B., C. & D.	$ 2,500	Each Wrongful Act Loss and Defense Costs
Employment Practices Wrongful Act	$ 2,500	Each Employment Practices Wrongful Act

Item 5. ANNUAL PREMIUM:	$ 961.00	
	$ N/A	State Tax
	$ N/A	State Tax

Item 6. FORMS AND ENDORSEMENTS (attached at inception):

265-0220	Policyholder Notice Of Terrorism Insurance Coverage
266-0220	Cap On Losses From Certified Acts Of Terrorism
CM00010213	Community Association Leaders Professional Liability Policy - Admitted
DE30180213	Community Association Leaders Professional Liability Claims Made Declarations
SA10330213	Amendatory Endorsement- Oregon - Attorney Fees
SA10340213	State Changes Endorsement Cancellation And Non-Renewal State Of Oregon

Item 7. PROGRAM ADMINISTRATOR:

McGowan Program Administrators *(A Division of McGowan & Company, Inc.)*
20595 Lorain Road
Fairview Park, Ohio 44126
(800) 545-1538
www.mcgowanprograms.com

By: ______________________________
Authorized Representative

AMENDATORY ENDORSEMENT - OREGON

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY POLICY – ATTORNEY FEES

If a claim settlement is not made within six (6) months and action is brought to court, should the plaintiff's recovery exceed the amount of payment made by the defendant, the court will set attorney fees to be paid as part of the costs of legal action and any appeal, unless the parties agree to binding arbitration.

This endorsement is attached to the First Named Insured's Policy of Insurance and amends the coverage under the Policy. It takes effect on the effective date of the First Named Insured's Policy of Insurance, unless another effective date is shown below. All other provisions of the coverage under the Policy remain unchanged.

Must Be Completed	
ENDT. NO.	POLICY NO.
	CM000004596-02

Complete Only When This Endorsement Is Not Prepared with the Policy <u>Or</u> Is Not to be Effective with the Policy	
ISSUED TO	ENDORSEMENT EFFECTIVE DATE

STATE CHANGES ENDORSEMENT

CANCELLATION AND NON-RENEWAL

STATE OF OREGON

THIS ENDORSEMENT CHANGES THE CERTIFICATE OF INSURANCE. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following

PROFESSIONAL LIABILITY POLICY

CONDITIONS, Cancellation and Nonrenewal, is amended by addition of the following:

CANCELLATION AND NONRENEWAL

1. Cancellation by the **First Named Insured**

The **First Named Insured** has the right to cancel his or her Policy at any time by giving notice to us stating when thereafter the cancellation shall be effective. If the Policy is so canceled, earned premium shall be computed pro rata.

2. Cancellation by **Us**

We have the right to cancel the **Insured's** Policy at any time and for any reason within the first sixty (60) days. **We** must mail notice of cancellation to the **First Named Insured** at least ten (10) days prior to the effective date of such cancellation.
After this Policy has been in effect for sixty (60) days or more, it may be canceled only for one of the following reasons:

a. Nonpayment;
b. Fraud or material misrepresentation made by or with the knowledge of the **Insured** in obtaining the Policy, continuing the Policy, or presenting a **Claim** under the Policy;
c. Substantial risk increase after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision;
d. Failure to comply with reasonable loss control recommendations
e. Breach of contractual duties, conditions or warranties.
f. Loss or decrease in reinsurance covering the risk.
g. Where the Director has determined that a continuation of a line of insurance or class of business to which the Policy belongs will jeopardize a company's solvency or place it in violation of Oregon law.
h. Any other reason approved by the director by rule.

We must mail notice of cancellation to the **First Named Insured** at least thirty (30) days prior to the effective date of such cancellation. If **We** cancel for non-payment of premium, **We** must mail notice of cancellation at least ten (10) days prior to the effective date of such cancellation.

3. Non-Renewal by **Us**

We have the right to non-renew this Policy effective on any Policy anniversary date. All notices of non-renewal must be mailed to the **First Named Insured** at the last mailing address known to us, 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.

4. Other Provisions

We must mail to the **First Named Insured** notice of renewal on terms less favorable or at higher rates at least forty five (45) days prior to the effective date of renewal. If **We** do not provide such notice, the **First Named Insured** may cancel the renewal Policy within forty five (45) days after receipt of the notice or delivery of the renewal Policy. Earned premium for the period of time the renewal Policy was in force shall be calculated pro rata at the lower of the current or previous rate. If **You** accept the renewal, changes shall be effective immediately following the prior Policy's expiration date.

This endorsement is attached to the First Named Insured's Policy of Insurance and amends the coverage under the Policy. It takes effect on the effective date of the First Named Insured's Policy of Insurance, unless another effective date is shown below. All other provisions of the coverage under the Policy remain unchanged.

Must Be Completed	
ENDT. NO.	POLICY NO.
	CM000004596-02

Complete Only When This Endorsement Is Not Prepared with the Policy *Or Is Not to be Effective with the Policy*	
ISSUED TO	ENDORSEMENT EFFECTIVE DATE

POLICY DECLARATIONS

PREMIUM SUMMARY

Named Insured and Mailing Address:

JASPER HEIGHTS CONDOMINIUM ASSOCIATION
c/o HOA Assist, LLC
6438 City W Pkwy., Ste. 200
Eden Prairie, MN, 55344

Producer No: PSIC-1158

Producer:
McGowan & Company, Inc
20595 Lorain Rd
Fairview Park, OH, 44126

Policy Number: CPDCP-26-1259619-01

Effective Date: 07/20/2026 – 07/20/2027

Issued by the insurance company indicated below, herein called the company.

PALOMAR SPECIALTY INSURANCE COMPANY

Policy Period

From: 07/20/2026 To: 07/20/2027

12:01 A.M. standard time at the Named Insured's mailing address shown above.

Premium Payment

The first Named Insured shown in the declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

In return for the payment of the premium and subject to all the terms and conditions of the policy, we agree with you to provide the insurance as stated in the policy. The premium is due and payable at inception.

Coverage	Premium
Policy Premium	$25,786
Terrorism	$0
Total Premium	$25,786
Inspection Fee (fully earned at inception)	$0
Policy Fee (fully earned at inception)	$100
Catastrophe Analysis Fee (fully earned at inception)	$50
Total Amount Payable	$25,936
Minimum Retained Premium	25%

POLICY DECLARATIONS

INSURING AGREEMENT

Named Insured and Mailing Address:

JASPER HEIGHTS CONDOMINIUM ASSOCIATION
c/o HOA Assist, LLC
6438 City W Pkwy., Ste. 200
Eden Prairie, MN, 55344

Producer No: PSIC-1158

Producer:
McGowan & Company, Inc
20595 Lorain Rd
Fairview Park, OH, 44126

Policy Number: CPDCP-26-1259619-01

Effective Date: 07/20/2026 – 07/20/2027

Issued by the insurance company indicated below, herein called the company.

PALOMAR SPECIALTY INSURANCE COMPANY

Policy Period

Insurance is issued by the company in consideration of payment of the required premium.

This policy is issued for the period 12:01 AM standard time at the Named Insured's mailing address shown above:

From: 07/20/2026 To: 07/20/2027

This Insuring Agreement together with the Premium Summary, Forms and Endorsements List, Declarations, Contracts, and Endorsements comprise this policy. Insurance is provided at those locations and for those coverages and Limits of Insurance shown in the Declarations and Statement of Values. Extensions of coverage, Sub- limits of Insurance and deductibles are listed in the Declarations. Endorsements may contain separate deductibles and limits or sub-limits of insurance.

Certain words and phrases in this policy have specific meaning. The meaning of such words and phrases are found in the Definitions section of the attached policy form. Definitions that apply to individual forms or endorsements will be noted in a definitions section in those forms and endorsements. These definitions apply to the entire policy and any endorsements to it. Titles of the various paragraphs of this policy and of endorsements attached to the policy are inserted solely for convenience or reference and shall not be deemed in any way to limit or affect provisions to which they relate.

You are presumed to have actually read this policy and understood its terms, whether this is the first policy year or a renewal of a prior policy. Please review the entire policy immediately and contact us or your agent or broker with any questions you may have.

POLICY DECLARATIONS

FORMS AND ENDORSEMENTS

Named Insured: JASPER HEIGHTS CONDOMINIUM ASSOCIATION

Policy Number: CPDCP-26-1259619-01

Effective Date: 07/20/2026

The following policy forms and endorsements have been attached to and made a part of the policy.

FORM NAME	FORM NUMBER
EXCLUSION OF CERTIFIED ACTS OF TERRORISM	PSIC-CAT-OR 05 15
OREGON CHANGES - CANCELLATION AND NONRENEWAL	PSIC-CHANGES-CANCNON-OR 04 14
OREGON CHANGES	PSIC-CHANGES-OR 04 14
CLAIM REPORTING PROCEDURES	PSIC-CLAIMS 08 22
POLICY DECLARATIONS	PSIC-DEC 02 14
DIFFERENCE IN CONDITIONS COVERAGE	PSIC-DIC 02 14
EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA	PSIC-CP 01 40 07 06
CYBER EXCLUSION ENDORSEMENT	PSIC-DIC-CEE-12-15
TOTAL FLOOD EXCLUSION	PSIC-FLEX 02 14
OREGON FRAUD STATEMENT	PSIC-FS-OR 04 14
DIFFERENCE IN CONDITIONS HOMEOWNERS ASSOCIATION COVERAGE EXTENSION	PSIC-HOA 06 15
U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS	PSIC-OFAC 02 14
ORDINANCE OR LAW COVERAGE	PSIC-OL 02 14
IMPORTANT NOTICE - IN WITNESS CLAUSE	PSIC-SIGNATURE 01 26

DECLARATIONS

A. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one "loss occurrence" is the applicable Limit of Insurance shown below.

1. Limit of Insurance, any one "loss occurrence": $30,516,482

   In no event will our liability exceed this limit for any one "loss occurrence", regardless of the number of coverages, causes of loss or locations involved, and regardless of any additional coverages provided under this policy.

   Limit of Insurance, as respects "EarthquakeShock": $30,516,482

   Limit of Insurance, as respects "Flood": Not Applicable

   Limit of Insurance, All Other Covered Causes of Loss: $30,516,482

   This policy will not pay more than the Limit of Insurance for the Causes of Loss listed above during the Policy Period, regardless of the number of "loss occurrences".

   a. Sub-limits of Insurance

CLUBHOUSE	$452,512
Ordinance or Law - Coverage A	$29,968,355
Ordinance or Law - Coverage B&C	$2,996,836
POOL	$95,615

   This policy will not pay more than the Sublimit of Insurance for the Causes of Loss listed above during the policy period, regardless of the number of "loss occurrences"

2. The premium for this policy is based upon the Schedule of Locations and Values or Statement of Values attached. In the event of loss hereunder, our liability is limited to the least of the following:

   a. The actual adjusted amount of loss, less applicable deductible(s);

   b. The stated values for the Covered Property, Business Income and/or Extra Expense, Rental Value, Maintenance Fees or any other Time Element coverages involved, as shown on the latest Schedule of Locations and Values or Statement of Values attached, less applicable deductible(s);

   c. The Limit of Insurance shown in item A.1., Limit of Insurance or endorsed onto this policy; or

   d. The remaining amount of the applicable Limit of Insurance for "Earthquake Shock", "Flood" or all other causes of loss shown in item A.1., Limits of Insurance.

B. COVERAGE

We provide the following coverage if it is marked with an "X". No coverage is provided by this policy under any item unless an "X" is inserted in the box preceding that item. Coverage is provided in accordance with the terms and conditions of this policy. Terms and conditions that apply only to individual coverage forms are set forth in those forms. This policy provides coverage on a Replacement Cost basis for Building and Contents unless Actual Cash Value is endorsed on the policy.

- ☒ Building
- ☐ Contents
- ☐ Stock
- ☐ Tenant's Improvements and Betterments
- ☐ Time Element (Loss of Business Income; Extra Expense, Rental Value; Maintenance Fees and any other time element coverages as specifically covered under this policy)
- ☐ (Other)

C. OPTIONAL ENDORSEMENTS

CLUBHOUSE	$452,512
Ordinance or Law - Coverage A	$29,968,355
Ordinance or Law - Coverage B&C	$2,996,836
POOL	$95,615

D. DEDUCTIBLES

All claims for loss or damage arising out of a single "loss occurrence" shall be adjusted as one claim, and we will then be liable for the excess of the percentage(s) or amount(s) shown below, but in no event to exceed our applicable Limits of Insurance. If two or more causes of loss covered by this policy contribute to a single "loss occurrence", the total deductible will not exceed the largest deductible applicable.

For application of Deductibles refer to section **B. Deductible Clause** in the coverage form.

1. Loss resulting from "Earthquake Shock":
   In any one loss occurrence: 15.0%
   Subject to a minimum per loss occurrence of: $50,000
   The Deductible applies: Per Unit of Insurance

2. Loss resulting from "Flood":
   In any one loss occurrence: Not Applicable
   Subject to a minimum per loss occurrence of: Not Applicable
   The Deductible applies: Not Applicable

3. Loss resulting from All Other Covered Causes of Loss:
   In any one loss occurrence: $50,000
   The Deductible applies: Per Occurrence

E. DECLARATIONS - SCHEDULE OF LOCATIONS

Loc/Bldg	Address	Coverages	Values
1/per SOV	14810 NE Rose Pkwy Portland, OR 97230	Building	$30,516,482
		BPP	$0
		BI/Rents/EE	$0
		Other	$0
		Total Insurable Values:	**$30,516,482**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM
EXCESS PROPERTY INSURANCE FORM

A. Amendment

The following definition is added with respect to the provisions of this endorsement

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, 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.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the nuclear hazard exclusion or the war and military action exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OREGON CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM
DIFFERENCE IN CONDITIONS HOMEOWNERS ASSOCIATION COVERAGE FORM
EXCESS PROPERTY INSURANCE

It is hereby understood and agreed that:

A. **CANCELLATION** is replaced by the following:

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. If this policy has been in effect for:
   a. Fewer than 60 days and is not a renewal policy, we may cancel for any reason.
   b. 60 days or more or is a renewal policy, we may cancel only for one or more of the following reasons:
      (1) Nonpayment of premium;
      (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
      (3) Substantial increase in the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision;
      (4) Substantial breach of contractual duties, conditions or warranties;
      (5) Determination by the commissioner that the continuation of a line of insurance or class of business to which the policy belongs will jeopardize our solvency or will place us in violation of the insurance laws of Oregon or any other state; or
      (6) Loss or decrease in reinsurance covering the risk.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. We will mail or deliver to the first Named Insured written notice of cancellation, stating the reason for cancellation.
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. Number of Days' Notice of Cancellation - Cancellation will not be effective until at least:
   a. 10 days after the first Named Insured receives our notice, if we cancel for nonpayment of premium; or
   b. 30 days after the first Named Insured receives our notice, if we cancel for any other reason.

B. The following are added and supersede any provision to the contrary:

1. **NONRENEWAL**

   We may elect not to renew this policy by mailing or delivering to the first Named Insured, at the last mailing address known to us written notice of nonrenewal before the:

a. Expiration date of the policy; or

b. Anniversary date of the policy if the policy is written for a term of more than one year or without a fixed expiration date.

However, if this policy is issued for a term of more than one year and for additional consideration the premium is guaranteed, we may not refuse to renew the policy at its anniversary date. Nonrenewal will not be effective until at least 30 days after the first Named Insured receives our notice.

2. **MAILING OF NOTICES**

If notice of cancellation or nonrenewal is mailed, a post office certificate of mailing will be conclusive proof that the first Named Insured received the notice on the third calendar day after the date of the certificate of mailing.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OREGON CHANGES

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM
DIFFERENCE IN CONDITIONS HOMEOWNERS ASSOCIATION COVERAGE FORM

A. Item 38. CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

1. Subject to paragraphs 2. & 3. below, this entire policy will be void if, whether before or after a loss, you have willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject of it, or your interest in it, or in case of any fraud or false swearing by you relating to it.
2. All statements made by you or on your behalf, in the absence of fraud, will be deemed representations and not warranties. No such statements that arise from an error in the application will be used in defense of a claim under this policy unless:
   a. The statements are contained in a written application; and
   b. A copy of the application is endorsed upon or attached to this policy when issued.
3. In order to use any representation made by you or on your behalf in defense of a claim under the policy, we must show that the representations are material and that we relied on them.

B. Except as provided in D. below, Item 17. APPRAISAL is replaced by the following:

APPRAISAL

If we and you disagree on the value of the property or the amount of loss ("loss") both parties may agree to an appraisal of the loss and to be bound by the results of that appraisal. If both parties so agree, then 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 ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Business Income Coverage Form (And Extra Expense) Including "Rental Value" is amended by addition of the following:

APPRAISAL

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, both parties may agree to an appraisal of the loss and to be bound by the results of that appraisal.

If both parties so agree, then 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 Net Income and operating e expense or 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:

Pay its chosen appraiser; and

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.

D. The following loss condition:

ITEM 11. DUTIES IN THE EVENT OF LOSS OR DAMAGE is revised as follows:
The provision requiring a signed, sworn proof of loss is replaced by the following:

Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 90 days after you receive the necessary forms from us.

E. The following condition is added to the coverage form and supersedes anything to the contrary:

MORTGAGEHOLDERS

a. Oregon law states as follows:

(1) "If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured ('insured'), such interest in this policy may be canceled by giving to such mortgagee a 10 days' written notice of cancellation".

(2) "If the insured ('insured') fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within 60 days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing".

b. The term mortgageholder includes trustee.

c. 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.

d. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

e. If we deny your claim because of your acts or because you have failed to comply with the terms of this insurance, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this insurance at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss in accordance with Paragraph a.(2); and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All the terms of the affected insurance will then apply directly to the mortgageholder

f. If we cancel this policy, we will give written notice to the mortgageholder:

(1) In accordance with Paragraph a.(1); or

(2) At least:

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

(b) 30 days before the effective date of cancellation if we cancel for any other reason other than provided for in Paragraph a.(1).

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.

Palomar

Palomar Specialty Insurance Company

CLAIMS REPORTING PROCEDURES

TPA:	York Risk Services Group Inc., a Sedgwick Company
Phone	800-779-4259
Email:	tpaclaims@Sedgwick.com

To expedite the handling of your claim please reference insurer Palomar Specialty Insurance Company and provide the following information:

1. **Named Insured: JASPER HEIGHTS CONDOMINIUM ASSOCIATION**
2. **Policy Number: CPDCP-26-1259619-01**

The Claims Intake Center will review all claims notices upon receipt and assign to the appropriate branch office. A claim acknowledgement will then be transmitted to the designated individuals notifying them of the claim number and the adjuster assigned to the claim.

DIFFERENCE IN CONDITIONS COVERAGE

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 **I., Definitions**.

A. COVERAGE

In return for your payment of the required premium, we will pay for all risks of direct physical loss or damage to Covered Property at the locations described in the Declarations caused by or resulting from a Covered Cause of Loss. A Covered Cause of Loss means risks of direct physical loss unless the loss is excluded in Sections **C., Property Excluded** or **D., Causes of Loss Excluded**, or excluded or limited in the Declarations or by endorsement.

1. **Covered Property**

   a. **Building**, meaning the building or structure at the locations described in the Declarations, including:

      (1) Completed additions;

      (2) Fixtures, 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;

      (5) If not covered by other insurance:

         (a) Additions under construction, alterations and repairs to buildings or structures at the locations described in the Declarations. An addition does not include new construction of any separate building or structure;

         (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described location, used for making additions, alterations or repairs to the building or structure.

   b. **Contents**, meaning furniture, fixtures, machinery and equipment being property belonging to you, or such properties of others in your care, custody or control and for which you are liable in the event of a direct physical loss.

   c. **"Stock"**, meaning merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping, including such properties of others in your care, custody or control and for which you are liable in the event of a direct physical loss.

   d. **Tenant's Improvements and Betterments**, meaning fixtures, alterations, installations or additions:

      (1) Made a part of the building you occupy but do not own; and

(2) You acquired or made at your expense but cannot legally remove.

2. **Additional Coverages**

a. Debris Removal

(1) Subject to Paragraph **(3)** below, 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 remove debris caused by an excluded cause of loss.

(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 not be liable under this policy for:

(a) Any greater proportion of such expense than the amount of insurance hereunder bears to the total amount of all insurance, whether all such insurance contains this clause or not.

(b) Loss occasioned by the enforcement of any state or municipal law or ordinance which necessitates the demolition of any portion of the building which has not suffered loss by any Covered Cause of Loss unless such liability is otherwise specifically insured by this policy.

b. **Limited Coverage for “Fungus”, Wet Rot, Dry Rot and Bacteria**

(1) The coverage described in **A.2.b.(2)** only applies when the "fungus", wet or dry rot or bacteria is the result of a Covered Cause of Loss 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.

(2) The amount of $5,000 is the most 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 **b.(2)** of this Limited Coverage is limited to $5,000. 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 loss caused by Covered Causes of Loss which take place during the 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 $5,000 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 Limits 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 Limits 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.

Increase in loss or damage as used in this Limited Coverage means any loss, damage, cost or expense resulting from the presence, treatment, removal or disposal of "fungus", wet or dry rot or bacteria as excluded in this policy.

c. **Limited Coverage for Land Stabilization and Building Foundations**

(1) We will pay your expenses, including engineering costs, to replace, stabilize or restore the land that supports the damaged Building when necessary in order to repair the Building which has suffered structural damage. The structural damage to the Building must be directly caused by an "earthquake shock" or "flood". This Limited Coverage is only provided if a limit for "earthquake shock" or "flood" is shown in the Declarations.

The Limited Coverage under this subsection **c.(1)** does not apply to expenses to stabilize or restore the land unless the stabilization or restoration is required in order to repair damage to the damaged Building located directly upon that land that is the result of a loss otherwise covered under the terms of this policy. This Limited Coverage does not apply to costs to stabilize or restore land if the land damage is caused by an excluded cause of loss.

We do not provide any other coverage for land, land damage or landscaping.

(2) We will pay your expenses to repair or replace Building foundations when required in order to repair the Building which has suffered structural damage. The structural damage to the Building must be directly caused by an "earthquake shock" or "flood". This Limited Coverage is only provided if a limit for "earthquake shock" or "flood" is shown in the Declarations.

The Limited Coverage under this subsection c.(2) does not apply to expenses to repair or replace Building foundations unless the repair or replacement is required in order to repair damage to the damaged Building located directly upon those foundations, that is the result of a loss otherwise covered under the terms of this policy. This Limited Coverage does not apply to expenses to repair or replace Building foundations if the damage to the Building is caused by an excluded cause of loss.

As used in this Limited Coverage, Building foundations means the foundations of buildings, machinery or boilers if their foundations are below:

(a) The lowest basement floor; or

(b) The surface of the ground, if there is no basement;

The amount of $5,000 is the most we will pay for land stabilization and Building foundations under this Limited Coverage. 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 losses caused by "earthquake shock" or "flood" which take place during the policy period.

Structural damage to the Building must exceed the deductible in order for this Limited Coverage to apply.

(3) The expenses for land stabilization and/ or Building foundations will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

Payments made for coverage under this Limited Coverage for Land Stabilization and Building Foundations are within the Limits of Insurance and will not serve to increase our Limits of Insurance shown in the Declarations.

B. DEDUCTIBLE CLAUSE

All claims for loss or damage arising out of a single "loss occurrence" will be adjusted as one claim, and we will then be liable for the excess of the percentage(s) or amount(s) shown in the Declarations, but to exceed the applicable Limits of Insurance. If two or more causes of loss covered by this policy contribute to a single "loss occurrence", the total deductible will not exceed the largest deductible applicable.

1. **Per Unit of Insurance**

   If the deductible percentage shown in the Declarations is applied Per Unit of Insurance, the deductible is calculated separately for, and applies separately to each Unit of Insurance that sustains loss or damage from a "loss occurrence". The total values at risk Per Unit is the total stated value for each separate unit of insurance as shown on the Declarations or the latest Schedule of Values and Locations. Each of the following is considered a separate Unit of Insurance:

   a. Each separate Building;

   b. All Contents of each separate Building;

   c. Property in the open, including Covered Property which is not a permanent part of a Building in item a. above, at each location covered;

   d. Time Element exposures (the sum of Business Income, Extra Expense, Rental Value, Maintenance Fees and any other time element coverages as specifically covered by this policy) applicable at each location covered;

   e. All other coverage forms with respect to each location (separately), whether or not such location has more than one unit as defined in **a., b., c.** and **d.** above.

   EXAMPLE – APPLICATION OF PER UNIT OF INSURANCE DEDUCTIBLE

   One location with one Building:

   Building #1 - The total stated value of the Building is $800,000, Contents is $700,000 and Business Income is $200,000

   The total loss at Building #1 = $100,000 in Building damage, $600,000 in Contents damage and $150,000 for Business Income loss.

   Deductible = 10%

   Step 1: Building deductible = $800,000 x 10% = $80,000

   Step 2: Contents deductible = $700,000 x 10% = $70,000

   Step 3: Business Income deductible = $200,000 x 10% = $20,000

   Step 4: $100,000 - $80,000 = $20,000

   Step 5: $600,000 - $70,000 = $530,000

   Step 6: $150,000 - $20,000 = $130,000

   The most we will pay is $680,000. That portion of the total loss not covered due to the application of the deductibles is $170,000.

2. **Per Location**

   If the deductible percentage shown in the Declarations is applied Per Location, the deductible is calculated separately for, and applies separately to, each location that sustains loss or damage from a "loss occurrence". The total values at risk per location is the total stated value of all Covered Property and Time Element exposures (the sum of Business Income, Extra Expense, Rental Value, Maintenance Fees and any other time element coverages as specifically covered by this policy) covered at each location as shown on the Declarations or the latest Schedule of Locations and Values, regardless of whether such Covered Property incurred loss or damage.

   EXAMPLE – APPLICATION OF PER LOCATION DEDUCTIBLE

   Two locations with two Buildings at location #1 and one building at location #2:

Location #1, Building #1 - The total stated value of the Building, Contents and Business Income is $1,920,000. The Total Loss for Building, Contents and Business Income at Building #1 = $1,000,000

Location #1, Building #2 - The total stated value of the Building, Contents and Business Income is $140,000. The total loss for Building, Contents and Business Income at Building #2 = $30,000

Location #2, Building #1 - The total stated value of the Building, Contents and Business Income is $900,000. The total loss for Building, Contents and Business Income at Location #2 = $200,000

Deductible = 10%

Step 1: Total loss at Location #1 = $1,000,000 + $30,000 = $1,030,000

Step 2: Total loss at Location #2 = $200,000

Deductible applied to Location #1 = ($1,920,000 + $140,000) x 10% = $206,000

Deductible applied to Location #2 = $900,000 x 10% = $90,000

The most we will pay is $934,000. That portion of the total loss not covered due to the application of the deductible is $296,000.

3. **Per Policy**

If the deductible percentage shown in the Declarations is applied Per Policy, the deductible is calculated as a percentage of the total stated value of all Covered Property and Time Element exposures (the sum of Business Income, Extra Expense, Rental Value, Maintenance Fees and any other time element coverages as specifically covered by this policy) covered by this policy at all locations described in the Declarations or the latest Schedule of Values and Locations, regardless of whether such Covered Property incurred loss or damage.

EXAMPLE – APPLICATION OF PER POLICY DEDUCTIBLE

Two locations with one Building at each location:

Location #1 - The total stated value of the Building, Contents and Business Income is $2,000,000.

The total loss for Building, Contents and Business Income at Location #1 = $1,600,000

Location #2 – The total stated value of the Building, Contents and Business Income is $400,000.

The total loss for Building, Contents and Business Income at Building #2 = $0

Deductible = 10%

Step 1: $2,000,000 + $400,000 = $2,400,000 (total Policy values)

Deductible applied to the policy = $2,400,000 x 10% = $240,000

The most we will pay is $1,360,000. That portion of the total loss not covered due to the application of the deductible is $240,000.

4. **Per Building**

If the deductible percentage shown in the Declarations is applied Per Building, the deductible is calculated separately for, and applies separately to, each building that sustains loss or damage from a "loss occurrence". The total values at risk Per Building is the sum of all stated values for Covered Property at each separate building as shown in the Declarations or latest Schedule of Locations and Values, regardless of whether there was loss or damage to some or all of the Covered Property. The total values at risk Per Building also include Time Element losses (the sum of Business Income, Extra Expense, Rental Value, Maintenance Fees and any other time element coverages as specifically covered by this policy) arising in whole or in part from loss or damage to each separate Building.

EXAMPLE – APPLICATION OF PER BUILDING DEDUCTIBLE

One location with two Buildings:

Building #1 - The total stated value of the Building, Contents and Business Income is $1,200,000.

The total loss for Building, Contents and Business Income at Building #1 = $800,000

Building #2 – The total stated value of the Building, Contents and Business Income is $600,000.

The total loss for Building, Contents and Business Income at Building #2 = $200,000

Deductible = 10%

Step 1: Total stated values at Building #1 = $1,200,000

Step 2: Deductible applied to Building #1 = $1,200,000 x 10% = $120,000

Step 3: Total stated values at Building #2 = $600,000

Step 4: Deductible applied to Building #2 = $600,000 x 10% = $60,000 Step 5: $800,000 - $120,000 = $680,000

Step 5: $200,000 - $60,000 = $140,000

The most we will pay is $820,000. That portion of the total loss not covered due to the application of the deductible is $180,000.

The total loss shown in the example above is the adjusted loss after deduction for all applicable calculations have been taken.

The total loss shown in the examples **1, 2, 3** and **4** above is the adjusted loss after deduction for all applicable calculations have been taken.

C. PROPERTY EXCLUDED

We will not pay for loss or damage to the following property unless a sublimit for that property is shown in the Declarations or in an endorsement to this policy:

1. Accounts, bills, deeds, evidences of debt, currency, money, notes, securities, stamps, original drawings and specifications, letters of credit, passports, tickets (including lottery tickets), valuable papers or records. We will not pay for the cost or expense to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media;
2. Animals, growing plants, trees or shrubs (except when held for sale, or when used for decorative purposes inside buildings), growing crops or lawns;
3. Antiques, objects of art, sculpture, property of artistic, historical or scientific significance whether or not constituting part of the covered buildings; or any item scheduled under a Fine Arts or other scheduled property floater;
4. Bridges, tunnels, dams, trestles, culverts, swales, roadways, walks, patios or other paved surfaces;
5. Contraband, or property in the course of illegal transportation or trade;
6. Contractors' equipment;
7. Electronic data processing equipment including computers, electronic accounting machines, all supporting machinery, magnetic tapes, discs, cards, any storage device and all software including procedures, programs or source material of any kind unless specifically endorsed to this policy;
8. Electronic data, meaning 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. This paragraph 8., does not apply to your "stock" of prepackaged software;

9. Exported or imported property that is covered under any ocean marine cargo insurance policy or any similar policy covering exports and imports;
10. Fences, radio or television antennas (including satellite dishes) and their lead- in wiring, masts or towers, signs (other than signs attached to buildings);
11. Foundations of buildings, machinery or boilers if their foundations are below:

    a. The lowest basement floor; or

    b. The surface of the ground, if there is no basement;

    Even if the building sustains covered direct physical damage that results in enforcement of an ordinance or law requiring demolition and construction or repair of damaged or undamaged foundations, these foundations are excluded from coverage under this policy except to the extent provided under **A.2.c.** Limited Coverage for Land Stabilization and Building Foundations;
12. Grain, hay, straw or other crops;
13. Jewelry, watches, pearls, precious and semi- precious stones, gold, silver, platinum, other precious metals or alloys, bullion, furs, and articles trimmed with fur;
14. Land or land value (including land on which the property is located), or air or water, howsoever and wherever located, or any interest or right therein, including underground or surface water, water rights and mineral rights. We will not pay for the cost of excavations, grading, backfilling or filling except to the extent provided under **A.2.c.** Limited Coverage for Land Stabilization and Building Foundations;
15. Mining equipment;
16. Motor vehicles licensed for highway use, motorcycles, motor scooters and other similar vehicles licensed for highway use, watercraft, aircraft;
17. Pilings, piers, bulkheads, wharves or docks;
18. Pools, spas, jacuzzis, or fountains;
19. Property in the course of construction, including materials and supplies thereof;
20. Property sold by you under conditional sales, trust agreements, installment payments or other deferred payment plans after delivery to customers;
21. Property in transit, including but not limited to shipments in the mail;
22. Power transmission and/or distribution lines not on the insured's premises;
23. Railroad rolling stock, including locomotives, or roadbeds;
24. Retaining walls that are not attached to the building described in this coverage form;
25. Underground pipes, flues or drains, including, but not limited to water, electrical, communications and sanitary systems, except to the extent provided under **A.2.c.** Limited Coverage for Land Stabilization and Building Foundations.
26. Underground Tanks

D. CAUSES OF LOSS EXCLUDED

We will not pay for loss, damage, cost or expense directly or indirectly caused by or resulting from, any of the following excluded causes of loss. Such loss, damage, cost or expense is excluded regardless of any other cause or event that contributes concurrently or in sequence to the loss.

1. The following causes of loss are excluded whether or not insurance for such causes of loss is being maintained by you at the time of the loss and whether or not such loss or damage is directly or indirectly caused by or contributed to by a cause of loss covered under this policy:

a. Aircraft or vehicles, including loss or damage by objects falling from aircraft as well as loss or damage caused by or resulting from vehicles owned by you or operated in the course of your business;

b. Any causes of loss covered under policies maintained by you as required by item **F.7. All Risk Coverage Warranty**, of this form;

c. Explosion, including, but not limited to, 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. Explosion also includes:

(1) The rupture, bursting, or operation of pressure relief devices; and

(2) The rupture or bursting due to expansion or swelling of the contents of any building, caused by or resulting from water;

d. Falling objects, including loss or damage to personal property in the open and to the interior of a building or property inside a building;

e. Fire and/or lightning;

f. Riot or civil commotion, including, but not limited to:

(1) Acts of striking employees while occupying the described location; and/or

(2) Looting occurring at the time and place of a riot or civil commotion;

g. Sinkhole collapse, including but not limited to loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on soil and/ or bedrock, or the sinking or collapse of land into man-made underground cavities;

h. Smoke, including, but not limited to, gas, vapor and smoke from agricultural smudging or industrial operations;

i. Sprinkler leakage, meaning leakage or discharge of any substance from an "automatic sprinkler system", including collapse of a tank that is part of the system;

j. Vandalism and malicious mischief, meaning willful and malicious damage to, or destruction of, Covered Property;

k. Water damage, including, but not limited to:

(1) Discharge or leakage of water or steam as the direct result of the breaking apart or cracking of plumbing, heating, air conditioning or other systems or appliances, that are located on the described premises and contains water or steam;

(2) Discharge or leakage from a sump or related equipment and parts, including the overflow due to sump pump failure or excessive volume of water;

(3) Discharge or leakage from roof drains, gutters, downspouts or similar fixtures or equipment;

(4) The cost to repair any defect that caused the loss or damage;

(5) Loss or damage caused by or resulting from the continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor;

(6) Loss or damage caused by or resulting from freezing and/or thawing; and

(7) Water which overflows or backs up through sewers, sewer sumps or drains, surface waters, water below the surface of the ground including water that exerts pressure on or flows, seeps, or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, basements, walls, floors, or paved surfaces;

l. Weather Conditions, including, but not limited to:

(1) Windstorm or hail;

(2) Frost or cold weather;

(3) Ice, rain, snow or sleet, whether driven by wind or not; and

(4) Loss or damage to the interior or exterior of any building, or the property inside or outside the building, caused by rain, snow, sand or dust, whether driven by wind or not;

(5) Weight of snow, hail, ice or sleet, including loss or damage to personal property outside of buildings;

2. The following causes of loss:

a. "Earthquake shock" inducing a fire. This means we will not pay for loss or damage occasioned by an "earthquake shock"-induced fire;

b. "Earthquake shock" inducing an explosion. This means we will not pay for loss or damage caused by an "earthquake shock"-induced explosion;

c. "Earthquake shock" inducing a volcanic eruption. This means we will not pay for loss or damage caused by an "earthquake shock"-induced volcanic eruption;

d. "Earthquake shock" inducing a tsunami, "earthquake shock" inducing a tidal wave. This means we will not pay for loss or damage caused by either an "earthquake shock"-induced tsunami and/or an "earthquake shock"-induced tidal wave;

e. "Earthquake shock" inducing a "flood". This means we will not pay for loss or damage caused by an "earthquake shock"-induced "flood", except when "flood" coverage is purchased and made a part of this policy;

f. "Earthquake shock" inducing sprinkler leakage. This means we will not pay for loss or damage caused by "earthquake shock"-induced sprinkler leakage, except when covered by an Earthquake Sprinkler Leakage Endorsement attached to and made a part of this policy;

3.

a. Acts or decisions, including the failure to act or decide, of any person, organization or governmental body;

b. 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 locations covered;

4. Any fraudulent scheme, trick, device or false pretense perpetrated upon you or upon any person(s) to whom the property may be entrusted;

5.

a. Asbestos, dioxin, or polychlorinated biphenyls removal, encapsulation, covering, or any manner of control or abatement from any goods, products, "stock", contents or building. We will not pay for loss or damage caused by or resulting from:

b. Demolition, increased cost of construction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos, dioxins, or polychlorinated biphenyls;

c. Any governmental direction or request declaring that asbestos materials, dioxins, or polychlorinated biphenyls present in or part of or utilized on any undamaged portion of your property can no longer be used for the purpose for which it was intended or installed and must be removed or modified; or

d. The presence of asbestos, dioxins, or polychlorinated biphenyls in any building as defined in **A.1.a** of this policy;

6. Dampness of atmosphere, dryness of atmosphere, extremes or changes of temperature or barometric pressure, shrinkage, evaporation, loss of weight, rust or corrosion;
7. Delay, loss of market, loss of use, interruption of business, consequential loss of any nature; except when specifically covered;
8. Denial of service; including but not limited to authorized or unauthorized direction of a high volume of messages or inquiries to web sites or e-mail destinations, effectively denying, interrupting or limiting legitimate access, including but not limited to spamming or phishing;
9. Earth movement, including but not limited to:
   a. Loss caused by landslide and/or avalanche, and any earth sinking, rising or shifting related to such an event;
   b. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
   c. Earth sinking, rising or shifting including soil conditions which cause settling, cracking, or other disarrangement of foundations or other parts of real property. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted, graded and/or maintained soil and/or the action of water under the ground surface;
   d. Collapse of volcanic edifice;
   e. Man-made shaking or vibrations;
   f. Mudslide or mudflow;

   However, earth movement does not include “earthquake shock” as defined in this policy;
10. Electrical injury or disturbance to electrical appliances, fixtures or wiring caused by electrical currents artificially generated, except with respect to ensuing loss caused by or resulting from a Covered Cause of Loss;
11. Enforcement of any ordinance or law regulating the construction, use, repair or demolition of any real property insured hereunder. This exclusion applies whether the loss results from an ordinance or law that is enforced even if the property has not been damaged; or the loss results from 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;
12. Errors in design, errors in processing, faulty workmanship or faulty materials, including any ensuing collapse;
13. Explosion or rupture or bursting of pressure vessels or pipes, or steam boilers, or steam engines, or steam turbines, or flywheels; any of which is owned, leased or operated by you;
14. Failure of power, communication, water or other utility service supplied to the described location, however caused. Failure of any utility service includes lack of sufficient capacity and reduction in supply. Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network;
15.
   a. The failure, malfunction or inadequacy of:
      (1) Any of the following, whether belonging to you or to others:
         (a) Computer hardware, including microprocessors;
         (b) Computer application software;
         (c) Computer operating systems and related software;
         (d) Computer networks;
         (e) Microprocessors (computer chips) not part of any computer system; or

(f) Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph a.(1)(a) above.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph a. (1) and a. (2) above;

We will not pay for repair, replacement or modification of any items in Paragraphs **a. (1)** and **a. (2)** above to correct any deficiencies or change any features;

16. Freezing and/or thawing of plumbing or heating systems;

17. “Fungus”, wet rot, dry rot and bacteria

This exclusion applies regardless of whether “fungus”, wet rot or dry rot or bacteria arises from any other cause of loss, including but not limited to, a loss involving water, water damage or discharge, which may otherwise be covered by this policy, except to the extent provided under **A.2.b.** Limited Coverage for “Fungus”, Wet Rot, Dry Rot and Bacteria;

18. Geomagnetic storms, solar flares, solar eruptions or bursts including plasma bubbles or ejections, magnetic field or magnetosphere fluctuations or disruptions, comets, asteroids, meteorites, or any falling spacecraft, part or fragment thereof;

19. Hostile or warlike action in time of peace or war, including:

a. Action in hindering, combating or defending against an actual, impending or expected attack by:

(1) Any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or

(2) Military, naval or air forces; or

(3) By any agent of any government, power, authority or forces;

b. Use of any weapon employing atomic fission or radioactive force whether in time of peace or war;

c. Insurrection, rebellion, revolution, civil war, usurped power or martial law or action taken by governmental authority in hindering, combating or defending against any such occurrence, seizure or destruction under quarantine or customs regulation, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;

20. Infidelity or any 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:

a. Acting alone or in collusion with others; or

b. Whether or not occurring during the hours of employment;

21. Leakage of contents, breakage of glass or similar fragile materials, marring, scratching, exposure to light, contamination, change in flavor or color or texture or finish;

22. Mechanical breakdown, including rupture or bursting caused by centrifugal force;

23. Nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled;

24. Pilferage, burglary, larceny, looting, robbery, theft, or attempted theft;

25. “Pollutants”, including loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of “pollutants”, including but not limited to any cost or expense to:

a. Extract “pollutants” from land, air or water; or

b. Remove, restore or replace polluted land, air or water; or

c. Investigate any loss, injury, or damage, or for any cost, fine, or penalty or for any expense or claim or suit related to either **a.** or **b.** above;

26. Settling, shrinkage, subsidence or expansion of foundations, walls, floors, or ceilings;
27. Seizure or destruction of property by order of governmental authority;
28. "Terrorism", including loss, damage, cost or expense caused by, resulting from or in connection with:

    a. Any act of "terrorism";

    b. The use or threatened use of biological, chemical, radiological or nuclear substances for the apparent purpose of or with the result of harming or intimidating a civilian population, whether in time of peace or war, and regardless of who commits the acts; or

    c. Any action taken to control, counter, prevent, respond to, mitigate or suppress either a. or b. above;

    This does not apply to "Certified Acts of Terrorism" if such coverage is purchased and made part of this policy;
29. Tsunami, waves, wave wash, wave action, tides, tidal waves, tidal water, storm surge, or their spray, all whether driven by wind or not;
30. Unexplained disappearance of property or loss or shortage of property disclosed on taking inventory;
31. Volcanic eruption, explosion or effusion, including any related shaking or trembling of the earth and/or ensuing "volcanic action";
32. Water, other liquids, gas, powder or molten material that leaks or flows from plumbing, heating, air conditioning, fire protective systems, or other equipment;
33. Wear and tear, depreciation, inherent vice, latent defect, gradual deterioration, decay, smog, nesting or infestation, vermin, rodents, termites or other insects including larvae or pupae thereof;
34. Your neglect to use all reasonable means to save and preserve property from further damage at and after the time of loss.

E. CANCELLATION POLICY CONDITION

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 10 days before the effective date of cancellation.
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 canceled, 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.

F. OTHER POLICY CONDITIONS

1. **Changes**

   This policy contains all 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. Notice to any agent or broker or knowledge possessed by any agent or broker or by any other person will not constitute a waiver or a change in any part of this policy or stop us from asserting any right(s) under the terms of this policy.

2. **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.

3. **Inspections And Surveys**

   a. We have the right to:

      (1) Make inspections and surveys at any time;

      (2) Give you reports on the conditions we find;

      (3) Recommend changes; and

      (4) Make appraisals and valuations.

   b. We are not obligated to make any inspections, surveys, reports, appraisals, valuations or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. Valuations and appraisals do not constitute a recommendation regarding the adequacy of Limits of Insurance under this policy. 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:

      (1) Are safe or healthful;

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

   c. Paragraphs **a.** and **b.** of this condition apply not only to us, but also to any rating, advisory, rate service or any organization which makes insurance inspections, surveys, reports or recommendations.

4. **Minimum Retained Premium**

   In the event of cancellation of this policy at your request, the policy Minimum Retained Premium will be the percentage of the policy premium shown in the Declarations. Your failure to make a timely payment of premium will be considered a request by you for us to cancel. If we cancel for non- payment of premium, the minimum retained premium or minimum earned premium, whichever is greater, will be immediately due and payable.

5. **Premiums**

   The first Named Insured shown in the Declarations:

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

   b. Will be the payee for any return premiums we pay.

6. **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.

7. **All Risk Coverage Warranty**

   You warrant that the property insured is covered and at all times during the policy period will continue to be covered, by standard all risk insurance for the term of this policy, equivalent to Insurance Services Office, Inc. forms CP 0010 and CP 1030 or their equivalent(s) as approved by the insurance department of the state where the predominant exposure is located. All losses under this policy will be adjusted as though such coverage was in effect at the time of loss. It is agreed that your failure to comply with this warranty shall constitute a violation of a material warranty and make this policy voidable by us.

G. LOSS CONDITIONS

1. **Abandonment**

   There can be no abandonment of any property to us.

2. **Appraisal**

   If we and you disagree on the values 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. **Brands And Labels**

   In the event of loss of or damage to labels, capsules or wrappers, the loss will be adjusted on the basis of an amount sufficient to pay the cost of new labels, capsules or wrappers.

   If branded or labeled merchandise covered by this policy is damaged and we elect to take all or any part of such merchandise at the value established by the terms of this policy, you may, at your own expense, stamp “salvage” on the merchandise or its containers, or may remove or obliterate the brands or labels, if such stamp, removal or obliteration will not physically damage the merchandise; but you must re-label the merchandise or containers in compliance with the requirements of law.

4. **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 Limits 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. No insured will, except at that insured’s own cost, voluntarily make a payment, assume any obligation, or incur any expense without our written consent.

      (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.

      (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.

5. **Excess Insurance**

Permission is granted to you to have excess insurance over the Limits of Insurance set forth in this policy without prejudice to this policy, and the existence of such insurance, if any, will not reduce any liability under this policy.

6. **Loss Clause**

Following an "earthquake shock" or "flood" loss, we have the option but not the duty of reinstating the Limits of Insurance shown in the Declarations for "earthquake shock" and "flood", for an additional premium.

7. **Loss Payment**

a. In the event of loss or damage covered by this policy, 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 policy 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 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.

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 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.

8. **Other Insurance**

a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this policy. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limits of Insurance under this policy bears to the Limits of Insurance of all insurance covering on the same basis.

b. If there is other insurance covering the same loss or damage, other than that described in a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limits of Insurance.

9. **Pair, Set Or Parts**

a. Pair or Set

In case of loss or damage to any part of a pair or set we may:

(1) Repair or replace any part to restore the pair or set to its value before the loss; or

(2) Pay the difference between the value of the pair or set before and after the loss.

b. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

10. **Records and Inventory**

You will keep accurate books, records and accounts in the following manner: A detailed and itemized inventory record of all property covered hereunder will be maintained and physical inventory will be taken periodically at intervals not more than 12 months apart.

11. **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 Limits of Insurance.

12. **Single Loss Clause**

Each loss by “earthquake shock” occasioned by any one disaster, loss; or series of disasters, or losses, arising out of any one event will constitute a single loss hereunder, provided, if more than one “earthquake shock” arising out of any one event occurs within any period of 168 hours during the policy period, such “earthquake shocks” will be deemed to be a single “earthquake shock” within the meaning hereof. We will not be liable for any loss caused by any “earthquake shock” occurring before the effective date and time of this policy, nor for any loss occurring after the expiration date and time of this policy.

Each loss by “flood” occasioned by any one disaster, loss or series of disasters, or losses, arising out of any one event, that occurs within any period of 72 hours during the policy period will constitute a single loss hereunder.

13. **Stated Values**

If at the time of loss, the values shown on the Declarations or the latest Schedule of Locations and Values are not individually stated for each building or contents at each location:

a. The value for each building will be developed by multiplying the total reported building value by the proportion that the square footage of the individual building bears to the total square footage of all buildings contemplated in the total reported building value.

b. The value of Contents at each location will be developed by multiplying the total reported Contents value by the proportion that the square footage of all buildings at the individual location bears to the total square footage of all buildings at all locations contemplated in the total reported Contents value.

The square footage of each separate building will be estimated or ascertained after a "loss occurrence" as necessary. For the purpose of this Loss Condition, each Coverage marked in the Declarations is deemed to be a separate Coverage.

In the event that the submission, application or Statement of Values does not provide a total stated value of one or more separate Coverage(s) by Location, but rather contains a total stated value for the separate Coverage(s) for all Locations on the policy, then the pro-rata factor for that coverage will be calculated as the square footage of the damaged building divided by the total square footage for all buildings covered under this policy.

Example:

The following example illustrates how a stated value is calculated under the conditions above. The amounts in the example shown may not be applicable to your policy. They are being used only to provide you with an example. Further, this example is not intended to be limited to determining the stated values of only individual buildings and contents, but rather is intended to be applicable to each separate Coverage marked in the Declarations.

In this example, there are three buildings at one location, with total building values for the location of $7,500,000 and total contents value for the location of $3,000,000.

	Square Footage (1)	Total Square Footage location (1)	Pro Rata Factor (2)	Location Total Building Value (1)	Building Stated Value (3)	Location Total Contents Value (1)	Contents Stated Value (4)
Building 1	10,000	50,000	0.2	$7,500,000	$1,500,000	$3,000,000	$600,000
Building 2	25,000	50,000	0.5	$7,500,000	$3,750,000	$3,000,000	$1,500,000
Building 3	15,000	50,000	0.3	$7,500,000	$2,250,000	$3,000,000	$900,000

(1) As reported on the application or submission.

(2) The Pro- rata Factor is calculated by dividing the Square Footage of each building by the Total Square Footage Location.

(3) The Building Stated Value is calculated by multiplying the Pro-rata Factor times the Location Total Building Value.

(4) The Contents Stated Value is calculated by multiplying the Pro-rata Factor times the Location Total Contents Value.

2. **Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At Replacement Cost (without deduction for depreciation);

b. Replacement cost does not apply to:

(1) Personal property of others;

(2) Contents of a residence;

(3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac;

(4) "Stock", unless the Including "stock" option is shown in the Declarations;

(5) Manuscripts; or

(6) Any item covered under the Valuable Papers and Records Endorsement, when attached to and made a part of this policy.

The items listed under **b.** above will be valued at actual cash value as of the time of loss or damage.

Under the terms of this Valuation Provision, Tenants' Improvements and Betterments 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 replacement cost valuation 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.

With respect to tenants' improvements and betterments, the following also apply:

(3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide the amount determined in **(a)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

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 to replace 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 location, 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 location.

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.

H. ADDITIONAL CONDITIONS

1. **Claims Against Third Parties**

In the event of any loss of or damage to the property covered hereunder you will immediately make claim in writing against the carrier(s), bailee(s) or others involved.

2. **Concealment, Misrepresentation Or Fraud**

This policy is void in any case of fraud by you as it relates to this Coverage at any time. It is also void if you or any other insured, at any time, intentionally conceals or misrepresents a material fact concerning:

a. This policy;

b. The Covered Property;

c. Your interest in the Covered Property; or

d. A claim under this policy.

3. **Legal Action Against Us**

No one may bring a legal action against us under this policy unless:

a. There has been full compliance with all of the terms of this policy; and

b. The action is brought within 12 months after the date on which the direct physical loss or damage occurred.

However, if by the laws of the state within which this policy is issued such limitation is invalid, then any such claims will be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such state.

4. **No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

5. **Policy Period, Coverage Territory**

Under this policy:

a. We cover loss or damage commencing:

(1) During the policy period shown in the Declarations; and

(2) Within the coverage territory.

b. The coverage territory is the "state" in which the location(s) described in the Declarations is located.

6. **Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

a. Prior to a loss to your Covered Property.

b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

(1) Someone insured by this insurance;

(2) A business firm:

(a) Owned or controlled by you; or

(b) That owns or controls you.

This will not restrict your insurance.

I. DEFINITIONS

The following definitions are hereby added to this policy.

1. "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.

2. “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.

3. “Earthquake Shock” is defined as – earth movement meaning natural faulting of land masses, but not including subsidence, landslide, rock slide, earth rising, earth sinking, earth shifting or settling unless as a direct result of such earth movement. All such sudden movements occurring within the space of a single hour shall be considered a single “earthquake shock.” All shocks occurring within a single 168 hour period during the policy shall be considered a single “earthquake shock.”

4. “Flood” means a general condition, whether temporary or permanent, of partial or complete inundation of normally dry land areas with water, mud, slurry or other liquid, arising from any of the following:

a. The overflow or breaking of natural or artificial boundaries or confines of inland or tidal waters;

b. The unusual and rapid accumulation or runoff of surface waters from any source or by their spray;

c. Waters changing course;

d. Waters rising;

e. The release or overtopping of water held by a dam, levee, dike, canal or conduit or by any water or flood control device or system, regardless of location, or from breach or failure, by any cause, of any of the foregoing;

However, “flood” does not include inundation arising from tidal wave or tsunami.

5. "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.

6. “Loss occurrence” means any one loss or disaster; or series of losses, or disasters arising out of one event.

7. “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; or any solid, liquid, gaseous or thermal irritant or contaminant which is discharged, dispersed, seeps, migrates, releases or escapes from any products, materials or supplies used in or incidental to the business of any insured.

8. “State” means one of the 50 United States of America and the District of Columbia.

9. “Stock” means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

10. “Terrorism” means an activity that involves a violent act or the use of force, including the threat of any such activity or the preparation for any such activity, that is committed for political, religious, ideological, economic, social, or cultural purposes, by any person or group(s) of persons, whether acting alone or on behalf of or in concert with or in connection with any organization(s), government(s), or other political entity(ies), and:

a. Has been labeled, identified or described as a terrorist act by the executive branch of the United States government; or

b. Causes either:

(1) Damage to property:

(2) Injury to person(s);

(3) Disruptions of financial, governmental, transportation, communication, computer or utility services; or

c. Appears to be intended to:

(1) Disrupt any segment of an economy;

(2) Intimidate, harm, coerce or punish a civilian population;

(3) Put the public, or any section of the public, in fear;

(4) Influence the policy of a government by intimidation, coercion or punishment; or

(5) Affect the conduct of a government by destruction, assassination, kidnapping or hostage-taking.

11. "Volcanic action" means the direct loss or damage resulting from the eruption, explosion or effusion of a volcano when the loss or damage is caused by airborne volcanic blast or airborne shock waves, ash, dust or particulate matter, or lava flow. Volcanic action includes the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the Covered Property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

A. The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civilauthority.

B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.

C. With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".

D. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:

1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and

2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.

E. The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

CYBER EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Words appearing in **bold** in this endorsement have special meaning and are defined below.

A. CYBER EXCLUSION

Notwithstanding any other terms or provisions contrary within this policy, the following exclusion is added to the policy to which it is attached and shall supersede any existing **Electronic Data**, media, programs, software, cyber, **Computer Virus** or similar provisions or language in the policy, whether included in an Exclusion Section or otherwise and whether within the policy or any endorsement.

1. We will not provide coverage nor will we make any payments or provide any service or benefit to any insured for loss, damage, expense, cost, failure, distortion, corruption, deletion, copying, degradation, disappearance, or malfunction, of the insured's **Digital Assets** from any cause whatsoever, including but not limited to, any unauthorized access, misuse, negligent use, error, **Computer virus**, or **Denial of Service Attack**, perpetuated through:
   a. a computer network;
   b. an internet enabled device; or
   c. a **Computer System,**
   regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
2. We will not provide coverage nor will we make any payments or provide any service or benefit to any insured for loss, damage, expense or cost due to any **Cyber Extortion Threat** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

B. CONDITIONS

The term "policy" may be comprised of common policy terms and conditions, the declarations, notices, schedules, coverage parts, insuring agreements, applications, enrollment forms, and endorsements or riders, if any, for each coverage provided. Policy may also be referred to as contract or agreement.

We may be referred to as "insurer", "underwriter", "we", "us", and "our", or as otherwise defined in the policy, and shall mean the company providing the coverage.

Insured may be referred to as "policyholder", "named insured", "covered person", "additional insured", or as otherwise defined in the policy, and shall mean the party, person or entity having defined rights under the policy.

These definitions may be found in various parts of the policy and any applicable riders or endorsements.

C. DEFINITIONS applicable to this endorsement:

Computer System(s) – Computer hardware, associated input and output devices, data storage devises, networking equipment, components, file server, data processing equipment, computer memory, microchip, microprocessor (computer chip), integrated circuit or similar device in computer equipment, program, computer software or operating system.

Computer Virus – Any malicious programming instructions, code or date including, but not limited to any destructive program, computer code, worm, logic bomb, smurf attack, vandalism, Trojan Horse or any other data introduced into any electronic system that affects the operation or functionality of **Computer Systems.**

Cyber Extortion Threat – A threat or series of threats made to introduce a **Computer Virus** to cause a loss to **Digital Assets.**

Denial of Service Attack – A malicious attack by an authorized or unauthorized party which is designed to slow or completely interrupt an authorized party from gaining access to the Insured's **Computer Systems** or website.

Digital Assets – **Electronic Data**, programs, software, audio and image files. To the extent they exist as **Electronic Data** and only in that form, **Digital Assets** include the following: accounts, bills, evidence of debts, money, valuable papers, records, abstracts, deeds, manuscripts, **, Personal Information**, or other documents.

Electronic Data - Data, information, programs, code or instructions of any kind that are recorded or transmitted in a form usable in electronic or electronically controlled equipment, **Computer Systems**, networks, integrated circuits or similar devices in non-computer equipment.

Personal Information – Any information from which an individual may be uniquely and reliably identified or contacted, including an individual's name, telephone number, email, social security number, medical or healthcare data or other protected health information, driver's license number or state identification number, account number, credit card number, debit card number, access code or password that would permit access to the individual's financial account or other non-public personal information.

PALOMAR SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL FLOOD EXCLUSION

This Endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM
EXCESS PROPERTY INSURANCE FORM

A. We will not pay for loss, damage, cost or expense caused directly or indirectly by "flood". Such loss or damage is excluded regardless of:

1. The cause of the "flood";
2. Any other cause or event that contributes concurrently or in any sequence to the loss;
3. Other causes of the loss; or
4. Whether such loss or damage arises from an event that occurs suddenly or gradually, or involves isolated or widespread damage.

B. We will not pay for loss or damage resulting from waterborne material involved in the "flood"; whether driven by wind or not; or whether caused by natural, external, or man-made forces.

C. We will not pay for loss or damage due to a "flood" which results from the intentional or negligent act, error, omission, or professional negligence of any party.

D. For the purposes of this endorsement,

"Flood" means a general condition, whether temporary or permanent, of partial or complete inundation of normally dry land areas with water, mud, slurry or other liquid, arising from any of the following:

1. The overflow or breaking of natural or artificial boundaries or confines of inland or tidal waters;
2. The unusual and rapid accumulation or runoff of surface waters from any source or by their spray;
3. Waters changing course;
4. Waters rising;
5. The release or overtopping of water held by a dam, levee, dike, canal or conduit or by any water or flood control device or system, regardless of location, or from breach or failure, by any cause, of any of the foregoing;

However, "flood" does not include inundation arising from tidal wave or tsunami.

This exclusion applies even though the loss or damage is contributed to in any manner by a Covered Cause(s) of Loss which is insured against in this policy.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OREGON FRAUD STATEMENT

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

In order for us to deny a claim on the basis of misstatements, misrepresentations, omissions or concealments on your part, we must show that:

A. The misinformation is material to the content of the policy;

B. We relied upon the misinformation; and

C. The information was either:

  1. Material to the risk assumed by us; or

  2. Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests.

With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional.

Misstatements, misrepresentations, omissions or concealments on your part are not fraudulent unless they are made with the intent to knowingly defraud.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DIFFERENCE IN CONDITIONS HOMEOWNERS ASSOCIATION COVERAGE EXTENSION

This Endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM

A. Section **A.1. Covered** is replaced by the following:

1. **Covered Property**

a. **Building,** meaning the building or structure at the location 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) Retaining walls attached to the building;

(5) Foundations of buildings, structures, machinery or boilers, including below-grade parking structures;

(6) Personal property owned by you that is used to maintain or service the building or structure or its premises, and:

(a) Fire-extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings not contained within individual units; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;

(7) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the buildings or structures at the location described in the Declarations. An addition does not include new construction of any separate 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;

(8) Any of the following types of property contained within a unit, regardless of ownership:

(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 real or personal property owned by, used by or in the care, custody or control of a unit-owner except for property listed in paragraph **A.1.a.(8)** above.

b. Your business personal property located in or on the building at the locations(s) described in the

Declarations or in the open (or in a vehicle) within 100 feet of the building at location(s) shown in the Declarations 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 for personal property of others;

(3) Leased personal property for which you have a contractual responsibility to insure.

But your business personal property does not include personal property owned only by a unit-owner.

c. Additional property and appurtenant structures, but no coverage attaches for any item unless a limit for that item is shown in the Declarations. The most we will pay for each item is the amount indicated in the Declarations. If no limit is shown, that item is not covered under this policy.

Payments made for coverage provided under this paragraph c. are within the Limits of Insurance and will not serve to increase our Limits of Insurance shown in the Declarations.

B. Section **A.2. Additional Coverages** is replaced by the following:

2. **Additional Coverages**

a. **Architectural and Engineering Costs**

will pay for the cost or expense for you to hire architects and/or engineers for services related to the repair, replacement, or reconstruction of buildings shown in the Declarations and damaged directly by "earthquake shock". The loss or damage to the buildings must occur during the policy period. The most we will pay for architectural and engineering costs is $25,000 for all "loss occurrences" in any one policy period, regardless of the number of buildings involved. Payments made for coverage provided under this paragraph a. are within the Limits of Insurance and will not serve to increase our Limits of Insurance shown in the Declarations.

b. **Debris Removal**

(1) Subject to Paragraph (3) below, 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 remove debris caused by an excluded cause of loss.

(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 not be liable under this policy for:

(a) Any greater proportion of such expense than the amount of insurance hereunder bears to the total amount of all insurance, whether all such insurance contains this clause or not.

(b) Loss occasioned by the enforcement of any state or municipal law or ordinance which necessitates the demolition of any portion of the building which has not suffered loss by any Covered Cause of Loss unless such liability is otherwise specifically insured by this policy.

c. **"Electronic Data Processing Equipment"**

We will pay for the cost to repair or replace, with property of like kind and quality and substantially similar functionality, "electronic data processing equipment" that has been damaged or destroyed. The most we will pay for loss to "electronic data processing equipment" is $30,000 for all loss or damage sustained in any one policy period, regardless of the number of buildings or locations involved. Payments made for coverage provided under this paragraph c. are within the Limits of Insurance and will not serve to increase our Limits of Insurance shown in the Declarations.

d. **"Electronic Data"**

We will pay for the cost to replace or restore "electronic data" which has been destroyed or corrupted. 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. The most we will pay for loss to "electronic data" is $30,000 for all loss or damage sustained in any one policy period, regardless of the number of buildings, locations or computer systems involved. Payments made for coverage provided under this paragraph d. are within the Limits of Insurance and will not serve to increase our Limits of Insurance shown in the Declarations.

e. **Limited Coverage for "Fungus", Wet Rot, Dry Rot and Bacteria**

(1) The coverage described in **B.2.e.(2)** only applies when the "fungus", wet or dry rot or bacteria is the result of a Covered Cause of Loss 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.

(2) The amount of $5,000 is the most 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:

(1) 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;

(2) 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

(3) 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 $5,000. 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 loss caused by Covered Causes of Loss which takes place during the 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 $5,000 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 Limits 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 Limits 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.

Increase in Loss or Damage as used in this Additional Coverage means any loss, damage, cost or expense resulting from the presence, treatment, removal or disposal of "fungus", wet or dry rot or bacteria as excluded in this policy.

f. **Maintenance and Association Fees**

We will pay for maintenance and association fees that you have been unable after reasonable effort to collect from the unit-owner whose unit must be rendered uninhabitable due to an insured loss that occurs during the policy period. After payment of loss, all amounts recovered will be paid to us after you have received any loss of maintenance or association fees in excess of the coverage provided by this Policy. You will cooperate in the effort to recover unpaid maintenance or association fees. You will not waive your right to recover maintenance or association fees receivable without our express permission. This coverage applies only during the time reasonably required to restore the affected units to a habitable condition. The most we will pay for any one "loss occurrence" is limited to the Maintenance and Association Fees Limit of Insurance shown in the Declarations. If no Limit is shown in the Declarations, there is no coverage for Maintenance and Association Fees under this policy.

g. **"Valuable Papers and Records"**

The most we will pay for loss to valuable papers and records is $10,000 for all loss or damage sustained in any one policy period, regardless of the number of buildings or locations involved. Payments made for coverage provided under this paragraph g. are within the Limits of Insurance and will not serve to increase our Limits of Insurance shown in the Declarations.

h. **Security**

We will pay for the cost or expense necessary for you to hire additional security personnel to guard the insured premises because of a loss insured against under this policy. The most we will pay for security is $30,000 for all "loss occurrences" in any one policy period, regardless of the number of premises or locations involved. Payments made for coverage provided under this paragraph h. are within the Limits of Insurance and will not serve to increase our Limits of Insurance shown in the Declarations.

i. **Underground Utilities**

meaning underground pipes, flues or drains, including water, electrical, communication and sanitary systems. The most we will pay for any one "loss occurrence" is limited to the Underground Utilities limit shown in the Declarations. Payments made for coverage provided under this paragraph i. are within the Limits of Insurance and will not serve to increase our Limits of Insurance shown in the Declarations.

j. **Limited Coverage for Land Stabilization**

We will pay your expenses, including engineering costs, to replace, stabilize or restore the land that supports the damaged Building when necessary in order to repair the Building which has suffered structural damage. The structural damage to the Building must be directly caused by an "earthquake shock" or "flood". This Limited Coverage is only provided if a limit for "earthquake shock" or "flood" is shown in the Declarations.

The Limited Coverage under this subsection j. does not apply to expenses to stabilize or restore the land unless the stabilization or restoration is required in order to repair damage to the damaged Building located directly upon that land that is the result of a loss otherwise covered under the terms of this policy. This Limited Coverage does not apply to costs to stabilize or restore land if the land damage is caused by an excluded cause of loss.

We do not provide any other coverage for land, land damage or landscaping.

The amount of $5,000 is the most we will pay for land stabilization under this Limited Coverage. 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 losses caused by "earthquake shock" or "flood" which take place during the policy period.

Structural damage to the Building must exceed the deductible in order for this Limited Coverage to apply.

The expenses for land stabilization will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

Payments made for coverage under this Limited Coverage for Land Stabilization are within the Limits of Insurance and will not serve to increase our Limits of Insurance shown in the Declarations.

C. Item **C.1., Property Excluded** is amended to read:

1. Accounts, bills, deeds, evidences of debt, currency, money, notes, securities, stamps, original drawings and specifications, letters of credit, passports, or tickets (including lottery tickets);

D. Items **C.7., C.8., C.11 and C.25, Property Excluded** are hereby deleted from the Difference in Conditions Coverage Form.

E. Section **G.14., Valuation** is amended to read:

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At Replacement Cost (without deduction for depreciation);

b. Replacement cost does not apply to:

(1) Personal property of others;

(2) Contents of a residence owned by the association;

(3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac;

(4) Manuscripts; or

(5) Any item covered under the Valuable Papers and Records Additional Coverage or the Valuable Papers and Records Endorsement, when attached to and made a part of this policy.

The items listed under b. above will be valued at actual cash value as of the time of loss or damage.

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 replacement cost valuation 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 to replace 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.

F. The following definitions are added to section **I. Definitions:**

1. "Electronic data processing equipment" including computers, electronic accounting machines, all supporting machinery, magnetic tapes, discs, cards, any storage device and all software including

procedures, programs or source material, including component parts thereof, owned by you, leased to or rented to you at an insured premises.

2. "Electronic data" meaning 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. This paragraph does not apply to your "stock" of prepackaged software;

3. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including but not limited to abstracts, books, deeds, drawings, films, maps or mortgages. 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. Valuable papers and records does not include property that cannot be replaced with other property of like kind and quality, property in storage away from the locations described in the Declarations or records relating to contraband or property in the course of illegal transportation or trade.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM
EXCESS PROPERTY INSURANCE

A. Our Limit of Insurance with respect to each and every "loss occurrence" will not exceed the Limits of Insurance for Building Ordinance shown in the Declarations. This Coverage does not increase our Limits of Insurance per "loss occurrence" nor the limit per policy period shown in the Declarations, regardless of whether one or more coverages or Covered Causes of Loss insured by this policy are involved in the "loss occurrence".

B. Each coverage – Coverage **A,** Coverage **B** and Coverage**C** – is provided under this endorsement only if that Coverage(s) is shown in the Declarations and then only with respect to the buildings described in the Declarations or the Schedule of Locations and Values. The coverage provided by this endorsement will not apply unless and until the deductible shown in the Declarations has been satisfied and a claim payment is due to you for a covered loss.

C. Application Of Coverage(s)

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

1. The ordinance or law:

a. Requires the demolition of parts of the undamaged portion of the building at a location described in the Declarations;

b. Regulates construction or repair of buildings, or establishes zoning or land use requirements at a location described in the Declarations; and

c. Is in force at the time of loss.

d. 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. Enforcement Caused By Covered Loss

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. Enforcement Caused By Combination of Covered and Uncovered Loss

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 both the covered and uncovered damage results in the enforcement of the ordinance or law.

c. Enforcement Caused By Uncovered Loss

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.

Under no circumstances will this endorsement cover any property which is excluded under this policy.

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

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

However, if the covered direct physical damage, alone, would have resulted in 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.

D. We will not pay under **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.

E. 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 the demolition of undamaged parts of the same building.

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 the demolition of such undamaged property.

3. Coverage C Increased Cost of Construction Coverage

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

a. Repair or reconstruct damaged portions of that building; and/or

b. 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:

a. 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;

b. We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

F. Loss Payment

1. All following loss payment provisions are subject to the apportionment procedures set forth in Section C.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

a. If Replacement Cost Coverage 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 at 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 Replacement Cost Coverage applies and the property is not repaired or replaced, or if the Replacement Cost Coverage 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 F.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 Declarations.

4. Unless Paragraph F.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 Declarations.

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 Declarations.

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

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages B and C in the Declarations. 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.

(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.

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

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

2. You failed to comply with.

H. Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section C.3. of this endorsement).

Assume:

- Flood is a Covered Cause of Loss; wind 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 flood): $30,000
- Portion of direct physical damage that is not covered (caused by wind): $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 the company 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.

All other terms and conditions remain unchanged.

Palomar

PALOMAR SPECIALTY INSURANCE COMPANY

Important Notice - In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy

IN WITNESS WHERE OF, this Company has executed and attested these presents and, where required by law, has caused the policy to be countersigned by its duly Authorized Representative(s).

President

Angelo Grant

Corporate Secretary

QUESTIONS REGARDING YOUR INSURANCE? Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance, contact the following (please have your policy or claim number available):

Palomar Specialty Insurance Company
Customer Service
7979 Ivanhoe Avenue, Suite 500
La Jolla CA 92037
619-567-5290
service@plmr.com