



## HABPRO HABITATIONAL INSURANCE QUOTE



DATE: **12/19/2024**

POLICY TERM: **2/1/2025-2/1/2026**

NAMED INSURED AND MAILING ADDRESS:  
**Golden Hills Homeowner Association**

3309 COMSTOCK AVE

Bellevue, NE 68123

Description of Business:  
**Condo**

PROGRAM MANAGER NAME AND ADDRESS:  
**NSM Insurance Group**

HabPro Habitational Program

555 North Lane

Suite 6060

Conshohocken, PA 19428

Issuing Company:  
**Arch Specialty Insurance Company**

**THIS QUOTE IS A SUMMARY OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.  
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.  
SCHEDULED FORMS AND ENDORSEMENT MAY SUPERSEDE THE BELOW COVERAGE, TERMS AND/OR CONDITIONS.**

	PREMIUM
COMMERCIAL PROPERTY COVERAGE PART	\$82,026
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$3,868
TRIA COVERAGE	\$850(Included above)
<b>TOTAL COVERAGE PREMIUM</b>	<b>\$85,894</b>
Policy Fee	\$1,750.00
Inspection Fee	\$300.00
<b>Please add \$2,585.82 tax and \$500 broker fee.</b>	<b>\$87,944.00</b>
<b>Commission: 10%</b>	<b>35% Minimum Earned Premium</b>

PROPERTY COVERAGE:	LIMIT:	DEDUCTIBLE:
Real Property Limit:	\$17,068,700	\$25,000
Business Personal Property Limit:	\$0	\$25,000
Business Income Limit:	\$0	hours
Ordinance & Law:	See Habitational Property Enhancement 00 CP0111 00 and/or CP0405 if applicable	

☒ SPECIFIED VALUE

*If "Specified Value" is selected, the coverage provided by this policy is specific per location. Refer to the attached Property Schedule for appropriate coverage(s) and specific values that apply at each location.*

☐ BLANKET LIMITS PER LOCATION – SEE PROPERTY SCHEDULE BELOW

**ADDITIONAL PROPERTY COVERAGE DEDUCTIBLES:**



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Property (AOP)	\$25,000
Windstorm/Hail:	See form 00 CP0113 00 01 21
Equipment Breakdown:	\$25,000
Property Enhancement:	\$2,500

### PROPERTY SCHEDULE: Agreed Value

PREM#	BLDG#	ADDRESS	COVERAGE	LIMIT OF INSURANCE	COVERED CAUSE OF LOSS	COINSURANCE	VALUATION
1	1	3303-3305-3307-3309 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$995,072	Special		RC
1	2	3311-3313 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$550,607	Special		RC
1	3	3315-3317 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$482,137	Special		RC
1	4	3403-3405 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$584,811	Special		RC
1	5	3407-3409-3411 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$772,571	Special		RC
1	6	3413-3415-3417-3419 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$954,100	Special		RC
1	7	3421-3423-3425-3427 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$995,072	Special		RC
1	8	3503-3505-3507-3509 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$995,072	Special		RC
1	9	3511-3513-3515 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$765,441	Special		RC
1	10	3303-3305-3307-3309 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$535,591	Special		RC
1	11	3521-3523 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$549,930	Special		RC
1	12	3525-3527 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$585,541	Special		RC
1	13	3524-3420 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$613,374	Special		RC
1	14	3518-3516 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$584,960	Special		RC



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1	15	3512-3514 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$567,933	Special		RC
1	16	3504-3506-3508-3510 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$995,072	Special		RC
1	17	3424-3426-3428-3430 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$995,072	Special		RC
1	18	3416-3418-3420-3422 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$995,072	Special		RC
1	19	3408-3410-3412-3414 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$995,072	Special		RC
1	20	3402-3404-3406 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$776,040	Special		RC
1	21	3314-3316-3318 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$785,088	Special		RC
1	22	3306-3308-3310-3312 COMSTOCK AVE - Frame - Condominiums	Property Coverage on Building	\$995,072	Special		RC



## HABPRO HABITATIONAL INSURANCE QUOTE



### GENERAL LIABILITY COVERAGE LIMITS:

General Aggregate Limit (other than Products/Completed Operations)	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000
Personal and Advertising Injury Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000
Fire Damage Legal Liability	\$100,000
Medical Expenses Limit	\$5,000 Any One Person

### ADDITIONAL LIABILITY COVERAGE SUBLIMITS:

Hired and Non-Owned Auto Liability Coverage	\$1,000,000
Assault and Battery Coverage	\$250,000
Sexual Abuse and Molestation Coverage	EXCLUDED

### GENERAL LIABILITY SCHEDULE:

Code No: 62003	Premium Basis: units	Premises/Operations Premium:	\$3,080
Premises: 1	Exposure: 65	Products/Completed Operations Premium:	Included
Classification: Condominiums - residential - (association risk only)			



## HABPRO HABITATIONAL INSURANCE QUOTE



**ALL APPLICABLE FORMS AND ENDORSEMENTS MADE A PART OF THIS POLICY AT TIME OF ISSUE  
SCHEDULED FORMS AND ENDORSEMENT MAY SUPERSEDE ABOVE POLICY COVERAGE, TERMS AND/OR CONDITIONS.**

\*Please be advised that the quote provided is **Non-Admitted**, in the event of insolvency of the insurer, the policy will not be covered by the State's Guaranty Fund or Guaranty Association\*

### SCHEDULE OF FORMS AND ENDORSEMENTS

FORM/ENDORSEMENT NUMBER	NAME
00 ML0003 00 04 12	SERVICE OF SUIT
00 ML 0065 00 06 07	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS
00 MPX 0593 00 09 20	MINIMUM EARNED PREMIUM
06 ML0217 00 06 19	ARCH SPECIALTY INSURANCE COMPANY COMMON POLICY
06 ML0288 00 01 21	SCHEDULE OF FORMS AND ENDORSEMENTS
IL 00 21 05 02	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
IL 09 35 07 02	EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES
IL 00 03 09 08	CALCULATION OF PREMIUM
IL 00 17 11 98	COMMON POLICY CONDITIONS
IL 01 22 09 07	NEBRASKA CHANGES – ACTUAL CASH VALUE
IL 01 59 09 07	NEBRASKA CHANGES – FRAUD OR MISREPRESENTATION
IL 01 64 07 02	NEBRASKA CHANGES – APPRAISAL
IL 09 52 01 15	CAP LOSSES FROM CERTIFIED ACTS OF TERRORISM - IF
IL N 001 09 03	FRAUD STATEMENT
06 ML0002 00 12 14	ARCH SIGNATURE PAGE
IL 09 85 12 20	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
00 CP0155 00 07 24	DAMAGE TO ROOF COVERING EXCLUSION ENDORSEMENT
00 AGL0104 00 05 19	PUNITIVE DAMAGES EXCLUSION
00 CGL2022 00 10 16	RADIOACTIVE MATTER EXCLUSION
00 CGL2092 00 10 16	CHROMATED COPPER ARSENATE (“CCA”) EXCLUSION
00 GL0045 00 12 03	GENERAL LIABILITY ASBESTOS EXCLUSION
00 GL0574 00 10 09	LEAD EXCLUSION
00 GL0886 00 01 21	CONSTRUCTION OPERATIONS EXCLUSION (INCLUDING
00 GL0887 00 01 21	MARIJUANA EXCLUSION
00 GL0888 00 01 21	CONDOMINIUM AND COOPERATIVE CONVERSION EXCLUSION
00 GL0652 00 12 11	ASSAULT AND/OR BATTERY - LIMITED COVERAGE GENERAL
00 GL0884 00 01 21	HIRED AUTO AND NON-OWNED AUTO LIABILITY INSURANCE
06 GL0880 00 01 21	COMMERCIAL GENERAL LIABILITY COVERAGE PART
06 GL0881 00 01 21	COMMERCIAL GENERAL LIABILITY COVERAGE SCHEDULE
06 GL0883 00 01 21	SCHEDULE OF LOCATIONS
CG 21 32 05 09	COMMUNICABLE DISEASE EXCLUSION
CG 21 46 07 98	ABUSE OR MOLESTATION EXCLUSION
CG 21 47 12 07	EMPLOYMENT - RELATED PRACTICES EXCLUSION
CG 21 53 01 96	EXCLUSION – DESIGNATED ONGOING OPERATIONS
CG 21 55 09 99	TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE
CG 21 67 12 04	FUNGI OR BACTERIA EXCLUSION
CG 21 72 12 02	NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM EXCLUSION
CG 21 84 01 15	EXCLUSION OF CERTIFIED NUCLEAR, BIOLOGICAL, CHEMICAL
CG 21 96 03 05	SILICA OR SILICA-RELATED DUST EXCLUSION



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CG 40 04 12 19	EXCLUSION – EARTH MOVEMENT
CG 00 01 04 13	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG 21 44 07 98	LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR
CG 21 70 01 15	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CG 21 06 12 23	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR
CG 40 35 12 23	EXCLUSION - CYBER INCIDENT
CG 40 32 05 23	EXCLUSION - PERFLUOROALKYL AND POLYFLUOROALKYL
CG 00 69 12 23	EXCLUSION - VIOLATION OF LAW ADDRESSING DATA PRIVACY
00 CP0068 00 01 16	MAINTAINING HEAT LEVEL EXCLUSION
00 CP0115 00 01 21	MARIJUANA EXCLUSION
00 CP0113 00 01 21	WINDSTORM OR HAIL DEDUCTIBLE
06 CP0108 00 01 21	COMMERCIAL PROPERTY COVERAGE PART - EXTENSION OF
CP 04 05 10 12	ORDINANCE OR LAW COVERAGE
06 CP0109 00 01 21	SCHEDULE OF LOCATIONS
CP 01 40 07 06	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
CP 00 17 10 12	CONDOMINIUM ASSOCIATION COVERAGE FORM
CP 00 90 07 88	COMMERCIAL PROPERTY CONDITIONS
CP 01 24 07 00	NEBRASKA CHANGES
CP 01 99 10 12	CONDOMINIUM ASSOCIATION COVERAGE CONDOMINIUM LAW
CP 10 30 09 17	CAUSES OF LOSS – SPECIAL FORM
CP 10 36 10 12	LIMITATIONS ON COVERAGE FOR ROOF SURFACING
EB 00 20 09 11	EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
CP 10 75 12 20	CYBER INCIDENT EXCLUSION
EB DS 07 09 11	EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
00 CP0111 00 01 21	HABITATIONAL PROPERTY ENHANCEMENT ENDORSEMENT
00 CP0143 00 10 22	PRIMARY RESIDENTIAL EXCLUSIONS ENDORSEMENT
00 EXP0081 00 08 14	WARRANTY OF SAFEGUARD
06 ML0002 00 12 14	SIGNATURE PAGE - ARCH SPECIALTY INSURANCE COMPANY

### **SUBJECTIVITES (PRIOR TO BINDING):**

1. Any subsidized Section 8 units must be limited to 15% or less at any location
2. If you can confirm that the Association docs/by-laws prohibited the use of grills within 10 feet of a building we can remove the outdoor cooking exclusion on the Primary Residential form.

### **SUBJECTIVITES UPON BINDING:**

1. Completed & Signed SL Verification form
2. Insured signed SOV matching limits quoted - Must show limits per building and the individual address or other building identifying information for each building
3. Overall occupancy rate must be 75% or greater for each location
4. Signed and Dated Acord applications - Information must match quoted terms
5. Signed and Dated HabPro Quote Acceptance
6. Signed TRIA form is required when coverage is rejected.

**PREMIUM DUE: 20 DAYS FROM POLICY EFFECTIVE DATE**



## HABPRO HABITATIONAL INSURANCE QUOTE



### ACCEPTANCE OF QUOTATION

**NAMED INSURED: Golden Hills Homeowner Association**

**TOTAL PREMIUM: \$87,944.00**

**INSURED:** Please be advised that the quote provided is Non-Admitted, in the event of insolvency of the insurer, the policy will not be covered by the State's Guaranty Fund or Guaranty Association.

I have reviewed the terms, conditions and premiums of this quote and find them to be acceptable.  
I further understand that binding authority is limited to NSM Insurance Group.

SIGNATURE:

PRINT NAME:

TITLE:

DATE:

DATE COVERAGE TO BE BOUND:

**BROKER:** As the Broker, you are responsible for the payment and processing of all applicable fees and filings. As the representative of the applicant, it is incumbent upon you to review the terms of the quote, binder, policy and/or endorsement carefully, as coverage, terms and conditions will often be different than those requested. NSM Insurance Group disclaims responsibility for any differences between the request made and the quote, binder, endorsement and/or policy, and/or for failure to reconcile the original request with coverage herein.

I have reviewed the terms, conditions and premium of this quotation and find them to be acceptable.  
I understand that this **signed acceptance and surplus lines forms must be received for coverage to be bound**.  
I further understand that binding authority is limited to NSM, Inc.

SIGNATURE:

PRINT NAME:

DATE:

# TERRORISM COVERAGE DISCLOSURE NOTICE

## TERRORISM COVERAGE PROVIDED UNDER THIS POLICY

The Terrorism Risk Insurance Act of 2002 as amended and extended by the subsequent Terrorism Risk Insurance Program Reauthorization Acts (collectively referred to as the "Act") established a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. An act of terrorism is defined as any act 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 an air carrier or vessel or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

In accordance with the Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an act of terrorism. The policy's other provisions will still apply to such an act. **This offer does not include coverage for incidents of nuclear, biological, chemical, or radiological terrorism which will be excluded from your policy.** Your decision is needed on this question: do you choose to pay the premium for terrorism coverage stated in this offer of coverage, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer.

If your policy provides commercial property coverage, in certain states, statutes or regulations may require coverage for fire following an act of terrorism. In those states, if terrorism results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to Legal Liability coverage forms or Leasehold Interest coverage forms.

**Your premium will include the additional premium for terrorism as stated in the section of this Notice titled DISCLOSURE OF PREMIUM.**

### 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% in years 2020 through 2027 of that portion of the amount of such insured losses that exceeds the applicable insurer deductible during Calendar Year 2020 and each Calendar Year thereafter through 2027.**

### DISCLOSURE OF CAP ON ANNUAL LIABILITY

If the aggregate insured terrorism losses of all insurers exceed \$100,000,000,000 during any **Calendar** Year provided in the Act, the Secretary of the Treasury shall not make any payments for any portion of the amount of such losses that exceed \$100,000,000,000, and if we have met our insurer deductible, we shall not be liable for the payment of any portion of such losses that exceeds \$100,000,000,000.

### DISCLOSURE OF PREMIUM

Your premium for terrorism coverage is: \$850.00

(This charge/amount is applied to obtain the final premium.)

**You may choose to reject the offer by signing the statement below and returning it to us. Your policy will be changed to exclude the described coverage.** If you chose to accept this offer, this form does not have to be returned.

### REJECTION STATEMENT

I hereby decline to purchase coverage for certified acts of terrorism. I understand that an exclusion of certain terrorism losses will be made part of this policy.
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\_\_\_\_\_  
Policyholder/Legal Representative/Applicant's  
Signature

\_\_\_\_\_  
Golden Hills Homeowner Association  
Named Insured

\_\_\_\_\_  
Print Name of Policyholder/Legal  
Representative /Applicant

\_\_\_\_\_  
Arch Specialty Insurance Company  
Insurance Company

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Policy Number:



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**MINIMUM EARNED PREMIUM**

It is agreed that the minimum earned premium on this Policy is 35% at inception with the remaining premium earned pro-rata over the term of the Policy.

All other terms and conditions of this Policy remain unchanged.



Endorsement Number:

Policy Number:

Named Insured: Golden Hills Homeowner Association

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 2/1/2025



Signature Page

IN WITNESS WHEREOF, Arch Specialty Insurance Company has caused this policy to be executed and attested.

A handwritten signature in cursive script that reads "Brian D. First".

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Brian D. First  
President

A handwritten signature in cursive script that reads "Regan A. Shulman".

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Regan Shulman  
Secretary

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**DAMAGE TO ROOF COVERING EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under this policy.

**A.** The following is added to the **Exclusions** section:

We will not pay for loss or damage caused directly or indirectly by wind and/or hail when such loss or damage results in the following changes to the physical condition of any “roof covering” or “rooftop component”, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

1. “Cosmetic damage”; or
2. Any decrease or change to the insulating efficiency and/or the adherence of any “roof covering,” that is not accompanied by the immediate penetration of water or moisture through the “roof covering” or “rooftop component”.

**B.** Notwithstanding any provision in this policy to the contrary, in the event of covered loss or damage to “roof covering” or “rooftop components” from wind and/or hail, we will only pay for the portion of the “roof covering” or “rooftop component” that has suffered such loss or damage.

We will not pay for any loss, including loss of value to covered property, due to any actual or perceived mismatch, or lack of uniformity between repaired or replaced “roof covering” or “rooftop components” and the existing “roof covering” or “rooftop components”.

Actual or perceived mismatch, or lack of uniformity include but are not limited to:

1. The use or existence of obsolete or discontinued material;
2. Age, wear and tear, deterioration, spatter and splatter marks, blemishes, dents, dings, dimples, chips, marring, pitting, scratches, gouges, grooves, scuffing;
3. Differences in color, fading, oxidation, weathering; and/or
4. Texture or dimensional differences.

**C.** For the purpose of this endorsement, the following **Definitions** are added:

1. “Cosmetic damage” means changes in physical condition that affects the appearance of “roof covering” but does not allow the immediate penetration of water or moisture through the “roof covering” or “rooftop component,” and includes but is not limited to spatter and splatter marks including those on oxidized surfaces, blemishes, dents, dings, dimples, chips, marring, pitting, scratches, gouges, grooves, discoloration, scuffing or other similar changes in physical appearance;

“Cosmetic damage” does not include rips, punctures, tears or similar physical damage resulting from wind and/or hail to the outermost layer of the “roof covering” that immediately allows water to penetrate such “roof covering”.

2. "Roof covering" means:
- a. All materials above the roof deck including but not limited to shingles, tiles, cladding, metal or synthetic sheet product including thermoplastic polyolefin membranes, vapor barriers, thermal barriers, coatings or similar materials used in the roof assembly; or
  - b. The roof deck itself where the roof deck acts as the roof assembly, such as a standing seam metal roof on purlins or similar assemblies;
- and all materials used in securing the "roof covering" including but not limited to adhesives, ballasts, fasteners, and all materials applied to or under such surface for moisture protection.
3. "Rooftop component(s)" means flashing, vent caps, trim, drip edge, HVAC equipment, vents, piping, and other items above the "roof covering".

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number:

Named Insured: Golden Hills Homeowner Association

Endorsement Effective Date: «Short(endeff)

**PREVIEW**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Communicable Disease**

"Bodily injury" or "property damage" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a.** Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b.** Testing for a communicable disease;
- c.** Failure to prevent the spread of the disease; or
- d.** Failure to report the disease to authorities.

- B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Communicable Disease**

"Personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a.** Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b.** Testing for a communicable disease;
- c.** Failure to prevent the spread of the disease; or
- d.** Failure to report the disease to authorities.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ABUSE OR MOLESTATION EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

2. The negligent:

- a. Employment;
- b. Investigation;
- c. Supervision;
- d. Reporting to the proper authorities, or failure to so report; or
- e. Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – DESIGNATED ONGOING OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

#### **Description of Designated Ongoing Operation(s):**

**“ANY ARMED SECURITY. THIS EXCLUSION APPLIES TO CG0001  
&/OR CG0002 COMMERCIAL GENERAL LIABILITY COVERAGE PART, GL0294  
&/OR GL0298 PROFESSIONAL LIABILITY COVERAGE FORM, AND GL0297 &/OR  
GL0299 SEXUAL OR PHYSICAL ABUSE LIABILITY ENDORSEMENT”**

#### **Specified Location (If Applicable):**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of the ongoing operations described in the Schedule of this endorsement, regardless of whether such operations are conducted by you or on your behalf or whether the operations are conducted for yourself or for others.

Unless a "location" is specified in the Schedule, this exclusion applies regardless of where such operations are conducted by you or on your behalf. If a specific "location" is designated in the Schedule of this endorsement, this exclusion applies only to the described ongoing operations conducted at that "location".

For the purpose of this endorsement, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

**PREVIEW**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A.** The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a.** "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B.** The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a.** "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b.** Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C.** The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 21 44 07 98

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Premises:**

**Project:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**MAINTAINING HEAT LEVEL EXCLUSION**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS-SPECIAL FORM

It is agreed that the following is added to Section **B. Exclusions** of the Causes Of Loss – Special Form:

6. We will not pay for loss or damage caused directly or indirectly by, resulting from, or to the extent contributed to, or made worse by, your failure to maintain a room temperature of at least fifty (50) degrees Fahrenheit in all rooms of the building(s) insured under this Policy.

All other terms and conditions of this Policy remain unchanged.



Endorsement Number:

Policy Number:

Named Insured: Golden Hills Homeowner Association

This endorsement is effective on the inception date of this policy unless otherwise stated herein.

Endorsement Effective Date: 2/1/2025

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WINDSTORM OR HAIL DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM

**SCHEDULE**

<b>Premises Number</b>	<b>Building Number</b>	<b>Windstorm Or Hail Deductible, Percentage – Enter 1%, 2% Or 5%</b>	<b>Windstorm or Hail Deductible, Flat Amount – Enter \$</b>
All	All	5% per building subject to a minimum of \$100,000 per occurrence	

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The Windstorm or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms “specific insurance” and “blanket insurance” have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) Of Insurance are shown in the Declarations.

**WINDSTORM OR HAIL DEDUCTIBLE CALCULATIONS**

**A. Calculation Of The Deductible – All Policies**

1. A Deductible is calculated separately for, and applies separately to:
  - a. Each building that sustains loss or damage;
  - b. The personal property at each building at which there is loss or damage to personal property; and
  - c. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; or any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. When property is covered under the Coverage Extension for Newly Acquired Or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired Or Constructed Property is the highest percentage shown in the Schedule for any described premises.

#### **B. Calculation Of The Deductible – Specific Insurance**

##### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage deductible or the flat rate deductible as shown in the Schedule of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

##### **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage deductible or the flat rate deductible (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

#### **C. Calculation Of The Deductible – Blanket Insurance**

##### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage deductible or the flat rate deductible (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is that shown in the most recent Statement of Values on file with us.

##### **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to the percentage deductible or the flat rate

deductible (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

All other terms and conditions of this Policy remain unchanged.



Endorsement Number:«endnum»

Policy Number: «polnum»

Named Insured: «insured»

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: «Short(endeff)»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
STANDARD PROPERTY POLICY

### SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
All / All	<input checked="" type="checkbox"/>	\$ Not Covered – See property enhancement form for coverage.	\$ Not Covered – See property enhancement form for coverage.	\$ Not Covered – * See property enhancement form for coverage.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations. *Do <b>not</b> enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages <b>B</b> and <b>C</b> , or if one of these Coverages is not applicable.				

**A.** Each Coverage – Coverage **A**, Coverage **B** and Coverage **C** – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.

**B. Application Of Coverage(s)**

The Coverage(s) provided by this endorsement applies only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

**1.** The ordinance or law:

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

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

**2.a.** The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or

**b.** The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

**c.** But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.



3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **H.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

- C.** We will not pay under Coverage **A**, **B** or **C** of this endorsement for:

1. Enforcement of or compliance with 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 or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

**D. Coverage**

**1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage **A** is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage **A** does not increase the Limit of Insurance.

**2. Coverage B – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

**3. Coverage C – Increased Cost Of Construction Coverage**

- a.** With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

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

- (1) The cost of excavations, grading, backfilling and filling;



- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **3.b.**

#### **E. Loss Payment**

1. All following loss payment provisions, **E.2.** through **E.5.**, are subject to the apportionment procedures set forth in Section **B.3.** of this endorsement.
2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
    - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
    - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
  - b. If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:
    - (1) The actual cash value of the building at the time of loss; or
    - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph **E.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:  
We will not pay more than the lesser of the following:
  - a. The amount you actually spend to demolish and clear the site of the described premises; or

- b. The applicable Limit Of Insurance shown for Coverage **B** in the Schedule above.
4. Unless Paragraph **E.5.** applies, loss payment under Coverage **C** – Increased Cost Of Construction Coverage will be determined as follows:
  - a. We will not pay under Coverage **C**:
    - (1) Until the property is actually repaired or replaced, at the same or another premises; and
    - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:
    - (1) The increased cost of construction at the same premises; or
    - (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule above.
  - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:
    - (1) The increased cost of construction at the new premises; or
    - (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule above, Paragraphs **E.3.** and **E.4.** of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the 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 Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
  - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

**b.** With respect to the Increased Cost of Construction:

**(1)** We will not pay for the increased cost of construction:

- (a)** Until the property is actually repaired or replaced, at the same or another premises; and
- (b)** Unless the repair or replacement is 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.

**F.** The terms of this endorsement apply separately to each building to which this endorsement applies.

**G.** Under this endorsement we will not pay for loss due to any ordinance or law that:

- 1.** You were required to comply with before the loss, even if the building was undamaged; and
- 2.** You failed to comply with.

**H.** Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section **B.3.** of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

**Step 1:** Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

**Step 2:** Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

**Note:** The same procedure applies to losses under Coverages **A** and **B** of this endorsement.

**I.** The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

**PREVIEW**

**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:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

- 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 civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism 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.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITATIONS ON COVERAGE FOR ROOF SURFACING**

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY

### **SCHEDULE**

<b>Premises Number</b>	<b>Building Number</b>	<b>Indicate Applicability (Paragraph A. and/or Paragraph B.)</b>
All	All	A (any roofs older than 15 years at the time of a loss)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** The following applies with respect to loss or damage by a **Covered Cause of Loss (including wind and hail if covered)** to a building or structure identified in the Schedule as being subject to this Paragraph **A.**:

Replacement Cost coverage (if otherwise applicable to such property) does not apply to roof surfacing. Instead, we will determine the value of roof surfacing at actual cash value as of the time of loss or damage.

- B.** The following applies with respect to loss or damage by **wind and/or hail** to a building or structure identified in the Schedule as being subject to this Paragraph **B.**:

We will not pay for cosmetic damage to roof surfacing caused by wind and/or hail. For the purpose of this endorsement, cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

- C.** For the purpose of this endorsement, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

## EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F – Definitions.

### A. Coverage

#### 1. Covered Cause Of Loss

Covered Cause of Loss is a "Breakdown" to "Covered Equipment".

#### 2. Coverages Provided

Each of the following coverages is provided if either a limit or the word INCLUDED is shown for that coverage in the Declarations. If neither a limit nor the word INCLUDED is shown, then that coverage is not provided.

These coverages apply only to that portion of the loss or damage that is a direct result of a Covered Cause of Loss.

##### a. Property Damage

We will pay for direct damage to "Covered Property" located at the premises described in the Declarations.

##### b. Expediting Expenses

With respect to direct damage to "Covered Property", we will pay for the extra cost you necessarily incur to:

- (1) Make temporary repairs; and
- (2) Expedite the permanent repairs or replacement of the damaged property.

##### c. Business Income And Extra Expense Or Extra Expense Only

(1) We will pay:

- (a) Your actual loss of "Business Income" during the "Period of Restoration"; and
- (b) The "Extra Expense" you necessarily incur to operate your business during the "Period of Restoration".

However, if coverage for "Extra Expense" only is indicated in the Declarations, then coverage for "Business Income" is not provided.

We will consider the experience of your business before the "Breakdown" and the probable experience you would have had without the "Breakdown" in determining the amount of our payment.

(2) If you have coverage for "Business Income" and "Extra Expense" or "Extra Expense" only and:

- (a) If a number of days is shown in the Declarations for Extended Period Of Restoration Coverage, it will replace the five consecutive days in the definition of "Period of Restoration".
- (b) If you have coverage for Ordinance or Law, then the "Period of Restoration" is extended to include the additional period of time required for demolition, removal, repair, remodeling or reconstruction.
- (c) If "Media" are damaged or "Data" are lost or corrupted, we will pay your actual loss of "Business Income" and/or "Extra Expense" during the time necessary to:
  - (i) Research, replace or restore the damaged "Media" or lost or corrupted "Data"; and
  - (ii) Reprogram instructions used in any covered "Computer Equipment".

There shall be no coverage for any "Media" or "Data" that we determine are not or cannot be replaced or restored.

Unless a higher limit is shown in the Declarations, we will pay the lesser of your actual loss of "Business Income" and/or "Extra Expense" up to 30 days after the "Period of Restoration", or \$25,000.

#### **d. Spoilage Damage**

- (1) We will pay for the spoilage damage to raw materials, property in process or finished products, provided all of the following conditions are met:
  - (a) The raw materials, property in process or finished products must be in storage or in the course of being manufactured;
  - (b) You must own or be legally liable under written contract for the raw materials, property in process or finished products; and
  - (c) The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.
- (2) We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage form.

#### **e. Utility Interruption**

If you have coverage for "Business Income" and "Extra Expense", "Extra Expense" only or Spoilage Damage, that coverage is extended to include loss resulting from the interruption of utility services, provided all of the following conditions are met:

- (1) The interruption is the direct result of a "Breakdown" to "Covered Equipment" owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which you receive;
- (2) The "Covered Equipment" is used to supply electric power, communication services, air conditioning, heating, gas, sewer, water or steam to your premises; and
- (3) The interruption of utility service to your premises lasts at least the consecutive period of time shown in the Declarations. Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

#### **f. Newly Acquired Premises**

We will automatically provide coverage at newly acquired premises you have purchased or leased. This coverage begins at the time you acquire the property and continues for a period not exceeding the number of days indicated in the Declarations for Newly Acquired Premises, under the following conditions:

- (1) You must inform us, in writing, of the newly acquired premises as soon as practicable;
- (2) You agree to pay an additional premium as determined by us;
- (3) The coverage for these premises will be subject to the same terms, conditions, exclusions and limitations as other insured premises; and
- (4) If the coverages and deductibles vary for existing premises, then the coverages for the newly acquired premises will be the broadest coverage and highest limits and deductible applicable to the existing premises.

#### **g. Ordinance Or Law Coverage**

The following applies despite the Ordinance Or Law Exclusion and provided these increases in loss are necessitated by the enforcement of any laws or ordinances that are in force at the time of the "Breakdown", which regulate the demolition, construction, repair or use of the building or structure. With respect to the building or structure that was damaged as a result of a "Breakdown":

- (1) We will pay for:
  - (a) The loss in value of the undamaged portion of the building or structure as a consequence of enforcement of an ordinance or law that requires the demolition of undamaged parts of the same building or structure;
  - (b) Your actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of an ordinance or law that requires the demolition of such undamaged property; and

- (c) The increased cost actually and necessarily expended to:
    - (i) Repair or reconstruct the damaged or destroyed portions of the building or structure; and
    - (ii) Reconstruct or remodel the undamaged portion of that building or structure with buildings or structures of like materials, height, floor area and style for like occupancy, whether or not demolition is required on:
      - i. The same premises or on another premises if you so elect. However, if you rebuild at another premises, the most we will pay is the increased cost of construction that we would have paid to rebuild at the same premises; or
      - ii. Another premises if the relocation is required by the ordinance or law. The most we will pay is the increased cost of construction at the new premises.
- (2) We will not pay for any:
- (a) Demolition or site clearing until the undamaged portions of the buildings or structures are actually demolished;
  - (b) Increase in loss until the damaged or destroyed buildings or structures are actually rebuilt or replaced and approved by the regulating government agency;
  - (c) Loss due to any ordinance or law that:
    - (i) You were required to comply with before the loss, even if the building was undamaged; and
    - (ii) You failed to comply with;
  - (d) Increase in loss, excess of the amount required to meet the minimum requirement of any ordinance or law enforcement at the time of the "Breakdown";
  - (e) Increase in loss resulting from a substance declared to be hazardous to health or environment by any government agency;
  - (f) Loss or expense sustained due to the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "Fungus", wet or dry rot; or
  - (g) 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 "Fungus", wet or dry rot.
- (3) If:
- (a) The building or structure is damaged by a "Breakdown" that is covered under this policy;
  - (b) There is other physical damage that is not covered under this policy; and
  - (c) The building damage in its entirety results in enforcement of ordinance or law;
- then we will not pay the full amount of the loss under this coverage. Instead, we will pay only that proportion of such loss, meaning the proportion that the covered "Breakdown" loss bears to the total physical damage.
- But if the building or structure 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 Ordinance Or Law Coverage under this Coverage Part even if the building has also sustained damage by a covered "Breakdown".
- h. Errors And Omissions**
- We will pay for any loss or damage, which is not otherwise payable under this Coverage Part, solely because of the items listed below:
- (1) Any error or unintentional omission in the description or location of property as insured under this Coverage Part or in any subsequent amendments;
  - (2) Any failure through error to include any premises owned or occupied by you at the inception date of this Coverage Part; or

- (3) Any error or unintentional omission by you that results in cancellation of any premises insured under this policy.

No coverage is provided as a result of any error or unintentional omission by you in the reporting of values or the coverage you requested.

It is a condition of this coverage that such errors or unintentional omissions shall be reported and corrected when discovered. The policy premium will be adjusted accordingly to reflect the date the premises should have been added had no error or omission occurred.

**i. Brands And Labels**

- (1) If branded or labeled merchandise that is "Covered Property" is damaged by a "Breakdown", we may take all or any part of the property at an agreed or appraised value. If so, you may:
- (a) Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
  - (b) Remove the brands or labels if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with any law.
- (2) We will pay reasonable costs you incur to perform the activity described in Paragraphs (1)(a) and (1)(b), but the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

**j. Contingent Business Income And Extra Expense Or Extra Expense Only Coverage**

- (1) Subject to the same terms and conditions, the "Business Income" and "Extra Expense" or "Extra Expense" only coverage provided by this Coverage Part is extended to cover your loss, if any, resulting from a "Breakdown" to "Covered Equipment" at a premises shown in the Declarations, that is not owned or operated by you which:
- (a) Wholly or partially prevents the delivery of services or materials shown in the Declarations to you or from you to others for your account; or
  - (b) Results in the loss of sales at your premises shown in the Declarations.

- (2) You shall use your influence to induce the contributing or recipient premises to make use of any other machinery, equipment, supplies or premises available in order to resume operations and delivery of services or materials to you, or the acceptance of products or services from you. You shall cooperate with the contributing or recipient premises to this effect in every way, but not financially unless authorized by us.

**B. Exclusions**

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded, regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

The exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

**1. Ordinance Or Law**

Increase in loss from the enforcement of any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, cleanup or disposal of "Covered Property".

However, the words use and operation shall be eliminated as respects a covered "Breakdown" to electrical supply and emergency generating equipment located on the premises of a hospital.

**2. Earth Movement**

Earth movement, including but not limited to earthquake, landslide, land subsidence, mine subsidence or volcanic action.

**3. Water**

- a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- b. Mudslide or mudflow;
- c. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- d. Water damage caused by the discharge or leakage of a sprinkler system or domestic water piping;
- e. Water under the ground surface pressing on, or flowing or seeping through:
  - (1) Foundations, walls, floors or paved surfaces;



(2) Basements, whether paved or not;

(3) Doors, windows or other openings; or

- f. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **a.**, **c.** or **e.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies, regardless of whether any of the above, in Paragraphs **a.** through **f.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

#### **4. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

#### **5. War Or Military Action**

- 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.

6. An explosion. However, we will pay for loss or damage caused by an explosion of "Covered Equipment" of a kind specified in **a.** through **g.** below, if not otherwise excluded in this Section **B.:**

- a. Steam boiler;
- b. Electric steam generator;
- c. Steam piping;
- d. Steam turbine;
- e. Steam engine;
- f. Gas turbine; or
- g. Moving or rotating machinery when such explosion is caused by centrifugal force or mechanical breakdown.

7. Fire or combustion explosion including those that:

- a. Result in a "Breakdown";
- b. Occur at the same time as a "Breakdown"; or
- c. Ensur from a "Breakdown".

#### **8. "Fungus", Wet Rot And Dry Rot**

Presence, growth, proliferation, spread or activity of "Fungus", wet or dry rot. However, if a "Breakdown" occurs, we will pay the resulting loss or damage.

This exclusion does not apply to the extent that coverage for "Fungus", wet rot or dry rot is provided elsewhere in this coverage form and then only for that portion of any loss or damage resulting from the presence, growth, proliferation, spread or activity of "Fungus", wet or dry rot as a result of a "Breakdown".

9. Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. However:

- a. If a "Breakdown" occurs, we will pay the resulting loss or damage;
- b. 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 Exclusion **B.8.**;
- c. Regardless of the application of this exclusion to any particular loss, the provisions of this Exclusion **9.** do not serve to create coverage for any loss that would otherwise be excluded under this coverage form.

10. Explosion within the furnace of a chemical recovery type boiler or within the passage from the furnace to the atmosphere.

11. Damage to "Covered Equipment" undergoing a pressure or electrical test.

12. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.

13. Depletion, deterioration, corrosion, erosion or wear and tear. However, if a "Breakdown" occurs, we will pay the resulting loss or damage.

14. A "Breakdown" that is caused by any of the following causes of loss if coverage for that cause of loss is provided by another policy of insurance you have, whether collectible or not:

- a. Aircraft or vehicles;
- b. Freezing caused by cold weather;
- c. Lightning;
- d. Sinkhole collapse;
- e. Smoke;
- f. Riot, civil commotion or vandalism; or
- g. Weight of snow, ice or sleet.

15. A "Breakdown" that is caused by windstorm or hail.
16. A delay in, or an interruption of, any business, manufacturing or processing activity except as provided by the "Business Income" and "Extra Expense", "Extra Expense" only and Utility Interruption coverages.
17. With respect to "Business Income" and "Extra Expense", "Extra Expense" only and Utility Interruption coverages, the following additional exclusions shall apply:
  - a. The business that would not or could not have been carried on if the "Breakdown" had not occurred;
  - b. Your failure to use due diligence and dispatch and all reasonable means to operate your business as nearly normal as practicable at the premises shown in the Declarations; or
  - c. The suspension, lapse or cancellation of a contract following a "Breakdown" extending beyond the time business could have resumed if the contract had not lapsed, been suspended or canceled.
18. Any indirect loss following a "Breakdown" to "Covered Equipment" that results from the lack or excess of power, light, heat, steam or refrigeration except as provided by the "Business Income" and "Extra Expense", "Extra Expense" only, Spoilage Damage and Utility Interruption coverages.
19. With respect to Utility Interruption Coverage, any loss resulting from the following additional causes of loss whether or not coverage for that cause of loss is provided by another policy you have:
  - a. Acts of sabotage;
  - b. Collapse;
  - c. Deliberate act(s) of load shedding by the supplying utility;
  - d. Freezing caused by cold weather;
  - e. Impact of aircraft, missile or vehicle;
  - f. Impact of objects falling from an aircraft or missile;
  - g. Lightning;
  - h. Riot, civil commotion or vandalism;
  - i. Sinkhole collapse;
  - j. Smoke; or
  - k. Weight of snow, ice or sleet.

20. Any indirect result of a "Breakdown" to "Covered Equipment" except as provided by the "Business Income" and "Extra Expense", "Extra Expense" only, Spoilage Damage and Utility Interruption coverages.
21. Neglect by you to use all reasonable means to save and preserve "Covered Property" from further damage at and after the time of the loss.

### **C. Limits Of Insurance**

1. The most we will pay for any and all coverages for loss or damage from any "One Breakdown" is the applicable Limit Of Insurance shown in the Declarations.
2. Any payment made will not be increased if more than one insured is shown in the Declarations.
3. For each coverage in Paragraph **A.2.**, if:
  - a. INCLUDED is shown in the Declarations, the limit for such coverage is part of, not in addition to, the Limit per Breakdown.
  - b. A limit is shown in the Declarations, we will not pay more than the Limit Of Insurance for each such coverage.
4. For any "Covered Equipment" that is:
  - a. Used solely to supply utility services to your premises;
  - b. Owned by a public or private utility;
  - c. Not in your care, custody or control and for which you are legally liable; and
  - d. Covered under this coverage form;
 the Limit of Insurance for Property Damage stated in the Declarations is replaced by the sum of one dollar.  
 If you are a public or private utility, **4.b.** is replaced by the following:
  - b. Owned by a public or private utility other than you.
5. Unless a higher limit or INCLUDED is shown in the Declarations, the most we will pay for direct damage as a direct result of a "Breakdown" to "Covered Equipment" is \$25,000 for each of the following. The limits are part of, not in addition to, the Limit of Insurance for Property Damage or Limit per Breakdown.
  - a. **Ammonia Contamination**  
 The spoilage to "Covered Property" contaminated by ammonia, including any salvage expense.

**b. Consequential Loss**

The reduction in the value of undamaged "Stock" parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.

**c. Data And Media**

Your cost to research, replace or restore damaged "Data" or "Media" including the cost to reprogram instructions used in any "Computer Equipment".

**d. Hazardous Substance**

Any additional expenses incurred by you for the cleanup, repair or replacement or disposal of "Covered Property" that is damaged, contaminated or polluted by a "Hazardous Substance".

As used here, additional expenses mean the additional cost incurred over and above the amount that we would have paid had no "Hazardous Substance" been involved with the loss.

Ammonia is not considered to be a "Hazardous Substance" as respects this limitation.

This coverage applies despite the operation of the Ordinance Or Law Exclusion.

**e. Water Damage**

The damage to "Covered Property" by water including any salvage expenses.

If "Fungus", wet or dry rot results from damage by water as limited in this paragraph, loss or damage attributable to "Fungus", wet or dry rot will be:

- (1) Limited as described in Paragraphs **C.6.a.(1)** through **C.6.a.(5)**; and
- (2) Part of the Water Damage limit, not in addition to it.

**6. Limited Coverage For "Fungus", Wet Rot And Dry Rot**

**a. Property Damage**

We will pay for loss or damage by "Fungus", wet or dry rot only when the "Fungus", wet or dry rot is the direct result of a "Breakdown" to "Covered Equipment" that occurs during the policy period. 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 including the cost of removal of the "Fungus", wet or dry rot;

(a) The cost to tear out and replace any "Covered Property" as needed to gain access to the "Fungus", wet or dry rot; and

(b) 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 is present.

(2) The coverage described under Paragraph **6.a.(1)** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "Breakdown" to "Covered Equipment" which take place within the 12-month period starting with the beginning of the present annual policy period. With respect to a particular occurrence of loss which results in "Fungus", wet or dry rot, we will not pay more than a total of \$15,000 even if the "Fungus", wet or dry rot continues to be present or active or recurs in a later policy period.

(3) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any "Covered Property". If a particular occurrence results in loss or damage by "Fungus", wet or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected "Covered Property".

If there is covered loss or damage to "Covered Property" not caused by "Fungus", wet or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "Fungus", wet or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

(4) If a Revised Limit is shown in the Declarations, the amount of \$15,000 in Paragraph **6.a.(2)** is replaced by the amount indicated in the Declarations.

- (5) If the Declarations indicates that the Separate Premises Option applies, then the amount of coverage (\$15,000, unless a higher amount is shown in the Declarations) is made applicable to separate premises as described in the Declarations. For each premises so described, the amount of coverage is an annual aggregate limit, subject to the terms set forth in Paragraph **6.a.(2)**.

**b. Business Income And Extra Expense Or Extra Expense Only**

- (1) If you have coverage for "Business Income" and "Extra Expense" or "Extra Expense" only, then Paragraph **b.(1)(a)** or **b.(1)(b)** applies, provided that the incurred loss or expense satisfies the terms and conditions applicable to the "Business Income" and "Extra Expense" or "Extra Expense" only coverage.

**(a) If:**

- (i)** The "Breakdown"; or

- (ii)** Any damage from water resulting from the "Breakdown";

which resulted in "Fungus", wet or dry rot, does not in itself generate a loss of "Business Income" or an "Extra Expense", but the loss of "Business Income" or "Extra Expense" is solely due to loss or damage to property caused by "Fungus", wet or dry rot, then our payment under "Business Income" and "Extra Expense" or "Extra Expense" only is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

- (b)** If a covered loss of "Business Income" or an "Extra Expense" was caused by loss or damage other than "Fungus", wet or dry rot, but remediation of "Fungus", wet or dry rot prolongs the "Period of Restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "Period of Restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

- (2) If a Revised Number of Days is shown in the Declarations, the number of days (30) in Paragraph **b.(1)(a)** or **b.(1)(b)** is replaced by the number of days indicated in the Declarations.

- c.** If you have coverage for Ordinance Or Law, then with respect to Property Damage, "Business Income" and "Extra Expense" or "Extra Expense" only, we will not pay under the Ordinance Or Law Coverage for:

- (1) Loss or expense sustained due to the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "Fungus", wet or dry rot; 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 "Fungus", wet or dry rot.

**7. Increased Cost Of Loss And Related Expenses For "Green" Upgrades**

**a. Property Damage**

Coverage is extended to include the additional loss or damage and related expenses incurred by you that are attributable to "Green" upgrades as a direct result of a "Breakdown" to "Covered Equipment" that occurs during the policy period. As provided in this "Green" upgrades coverage, we will pay for:

- (1) Additional expense to repair or replace the damaged "Covered Property" except raw materials, property in process, finished goods and "Stock";
- (2) Related additional expenses to:
- (a)** Reuse or salvage the damaged "Covered Property";
  - (b)** Remove, transport and dispose of the recyclable damaged "Covered Property" and its construction waste to appropriate sites; and
  - (c)** Replace the damaged portions of roof section(s) of buildings or structures with a vegetated roof in accordance with the recommended procedures of a "Green standards-setter";

- (3) Additional reasonable and customary expense to hire the services of an accredited architect or engineer with respect to any necessary design and engineering recommendations in the course of repair or replacement of damaged portions of the building; and
- (4) Additional reasonable expense to pay:
  - (a) Fees imposed by the "Green standards-setter" in order to determine if certification or recertification is appropriate according to the organization's standard;
  - (b) Fees to test "Covered Equipment" following its repair or installation as replacements, when such testing is undertaken in the course of submitting to the certification or recertification process; and
  - (c) After repair or reconstruction is completed, to flush out the renovated space and/or conduct air quality testing of the renovated space in accordance with the recommended procedures of a "Green standards-setter" and for the purpose of mitigating indoor air quality deficiencies resulting from the repair or reconstruction of the "Covered Property".

As used here, additional expenses are limited to the additional cost incurred over and above the amount that we would have paid had no "Green" upgrades been involved with the loss.

In addition, we will not pay for any:

- (i) Further modification if the "Covered Property" fails to obtain certification, recertification or a specific level of certification; or
- (ii) Additional cost to repair or replace damaged property solely for the purpose of achieving points toward certification or recertification of the property by a "Green standards-setter".

Unless a different limit or INCLUDED is shown in the Declarations, the most we pay under this "Green" upgrades coverage is an amount equal to 25% of the total Property Damage loss otherwise recoverable, subject to a maximum limit of \$100,000.

#### **b. Business Income And Extra Expense Or Extra Expense Only**

If you have coverage for "Business Income" and "Extra Expense" or "Extra Expense" only and the terms and conditions applicable to the "Business Income" and "Extra Expense" or "Extra Expense" only coverage are satisfied, then:

- (1) If the remediation of the damaged "Covered Property" using "Green" upgrades prolongs the "Period of Restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "Period of Restoration"), but such coverage is limited to 30 days. The days need not be consecutive.
  - (2) If a Revised Number of Days is shown in the Declarations, the number of days (30) in Paragraph **b.(1)** is replaced by the number of days indicated in the Declarations.
  - (3) As used here, the prolonged "Period of Restoration" is limited to the additional days incurred over and above the amount needed had no "Green" upgrades been involved with the loss.
- c. The coverage provided under this "Green" upgrades coverage:
- (1) Does not increase any of the applicable Limits of Insurance;
  - (2) Applies despite the operation of the Ordinance Or Law Exclusion; and
  - (3) Does not reduce the coverage otherwise applicable for repair or replacement of "Covered Property" that qualified as "Green" prior to loss or damage, with comparable materials and products.

#### **D. Deductibles**

##### **1. Application Of Deductibles**

We will not pay for loss or damage resulting from any "One Breakdown" until the amount of covered loss or damage exceeds the deductible shown in the Declarations for each applicable coverage. We will then pay the amount of covered loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

Deductibles apply separately for each applicable coverage except if:

- a. A deductible is shown as COMBINED for any of the coverages in the Declarations, then we will first subtract the combined deductible amount from the aggregate amount of any loss to which the combined deductible applies; or
- b. More than one "Covered Equipment" is involved in "One Breakdown", then only one deductible, the highest, shall apply for each of the applicable coverages.

## **2. Determination Of Deductibles**

### **a. Dollar Deductible**

If a dollar deductible is shown in the Declarations, we will first subtract the deductible amount from any loss we would otherwise pay.

### **b. Time Deductible**

If a time deductible is shown in the Declarations, we will not be liable for any loss under that coverage that occurs during that specified time period immediately following a "Breakdown". If a time deductible is shown in days, each day shall mean 24 consecutive hours.

### **c. Multiple Of Daily Value Deductible**

If a multiple of daily value is shown in the Declarations, this deductible will be calculated as follows:

- (1) For the entire premises where the loss occurred, determine the total amount of "Business Income" that would have been earned during the "Period of Restoration" had no "Breakdown" taken place.
- (2) Divide the result in Paragraph (1) by the number of days the business would have been open during the "Period of Restoration". The result is the daily value.
- (3) Multiply the daily value in Paragraph (2) by the number of days shown in the Declarations. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

### **d. Percentage Of Loss Deductible**

If a deductible is expressed as a percentage of loss in the Declarations, we will not be liable for the indicated percentage of gross amount of loss or damage (prior to the applicable deductible or coinsurance) insured under the applicable coverage.

### **e. Minimum Or Maximum Deductibles**

(1) If:

- (a) A minimum dollar amount deductible is shown in the Declarations; and
- (b) The dollar amount of the Multiple of Daily Value or the Percentage of Loss Deductible is less than the Minimum Deductible;

then the Minimum Deductible amount shown in the Declarations will be the applicable deductible.

(2) If:

- (a) A maximum dollar amount deductible is shown in the Declarations; and
- (b) The dollar amount of the Multiple of Daily Value or the Percentage of Loss Deductible is greater than the Maximum Deductible;

then the Maximum Deductible amount shown in the Declarations will be the applicable deductible.

## **E. Equipment Breakdown Protection Conditions**

The following conditions apply in addition to the Common Policy Conditions:

### **1. Loss Conditions**

#### **a. Abandonment**

There can be no abandonment of any property to us.

#### **b. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that the 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:

- (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. Defense**

We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

**d. Duties In The Event Of Loss Or Damage**

- (1) You must see that the following are done in the event of loss or damage to "Covered Property":

- (a) Give us a prompt notice of the loss or damage. Include a description of the property involved.

- (b) As soon as possible, give us a description of how, when and where the loss or damage occurred.

- (c) Allow us a reasonable time and opportunity to examine the property and premises before repairs are undertaken or physical evidence of the "Breakdown" is removed. But you must take whatever measures are necessary to protect the property and premises from further damage.

- (d) 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.

- (e) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (f) Cooperate with us in the investigation or settlement of the claim.

- (2) 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.

**e. Insurance Under Two Or More Coverages**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**f. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Part unless:

- (1) There has been full compliance with all the terms of this Coverage Part; and
- (2) The action is brought within two years after the date of the "Breakdown"; or
- (3) We agree in writing that you have an obligation to pay for damage to "Covered Property" of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into any action to determine your liability.

**g. Loss Payable Clause**

- (1) We will pay you and the loss payee shown in the Declarations for loss due to a "Breakdown" to "Covered Equipment", as interests may appear. The insurance covers the interest of the loss payee unless the loss results from conversion, secretion or embezzlement on your part.

- (2) We may cancel the policy as allowed by the Cancellation Condition. Cancellation ends this agreement as to the loss payee's interest. If we cancel, we will mail you and the loss payee the same advance notice.

- (3) If we make any payment to the loss payee, we will obtain their rights against any other party.

#### **h. Other Insurance**

- (1) You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
- (2) If there is other insurance covering the same loss or damage, other than that described in Paragraph (1), 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 Limit of Insurance.

#### **i. Privilege To Adjust With Owner**

In the event of loss or damage involving property of others in your care, custody or control, we have the right to settle the loss or damage with the owner of the property. A receipt for payment from the owner of that property will satisfy any claim of yours against us.

#### **j. Reducing Your Loss**

As soon as possible after a "Breakdown", you must:

- (1) Resume business, partially or completely;
- (2) Make up for lost business within a reasonable period of time. This reasonable period does not necessarily end when operations are resumed; and
- (3) Make use of every reasonable means to reduce or avert loss, including:
  - (a) Working extra time or overtime at the premises or at another premises you own or acquire to carry on the same operations;
  - (b) Utilizing the property and/or services of other concerns;
  - (c) Using merchandise or other property, such as surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock you own, control or can obtain; or
  - (d) Salvaging the damaged "Covered Property".

#### **k. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment.

That person or organization must do everything 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:

- (1) Prior to a loss to your "Covered Property" or covered income.
- (2) After a loss to your "Covered Property" or covered income only if, at time of loss, that party is one of the following:
  - (a) Someone insured by this insurance;
  - (b) A business firm:
    - (i) Owned or controlled by you; or
    - (ii) That owns or controls you; or
  - (c) Your tenant.

This will not restrict your insurance.

#### **l. Valuation**

- (1) We will determine the value of "Covered Property" in the event of loss or damage as follows:
  - (a) The cost to repair, rebuild or replace the damaged property with property of the same kind, capacity, size or quality on the same site or another site, whichever is the less costly; or
  - (b) The cost actually and necessarily expended in repairing, rebuilding or replacing on the same site or another site, whichever is the less costly;except we will not pay for such damaged property that is obsolete and useless to you.
- (2) If you elect or we require that the repair or replacement of the damaged "Covered Equipment" be done in a manner that enhances safety while maintaining the existing function, then we will pay, subject to the limit of insurance, up to an additional 25% of the property damage amount for the "Covered Equipment" otherwise recoverable.



- (3) If:
- (a) Any damaged "Covered Property" is protected by an extended warranty, or maintenance or service contract; and
  - (b) That warranty or contract becomes void or unusable due to a "Breakdown";

we will reimburse you for the unused costs of nonrefundable, nontransferable warranties or contracts.

- (4) Unless we agree otherwise in writing, if you do not repair or replace the damaged property within 24 months following the date of the "Breakdown", then we will pay only the smaller of the:

- (a) Cost it would have taken to repair or replace; or
- (b) Actual cash value at the time of the "Breakdown".

- (5) If all of the following conditions are met, property held by you for sale will be valued at the selling price as if no loss or damage had occurred, less any discounts you offered and expenses you otherwise would have had:

- (a) The property was manufactured by you;
- (b) The selling price of the property is more than the replacement cost of the property; and
- (c) You are unable to replace the property before its anticipated sale.

- (6) We will pay for loss to damaged "Data" or "Media" as follows:

- (a) Replacement cost for "Data" or "Media" that are mass produced and commercially available; and
- (b) The cost you actually spend to reproduce the records on blank material for all other "Data" or "Media", including the cost of gathering or assembling information for such reproduction.

However, we will not pay for "Data" or "Media" that we determine are not or cannot be replaced with "Data" or "Media" of like kind and quality or property of similar functional use.

- (7) We will determine the value of "Covered Property" under Spoilage Damage Coverage as follows:

- (a) For raw materials, the replacement cost;
- (b) For property in process, the replacement cost of the raw materials, the labor expended and the proper proportion of overhead charges; and
- (c) For finished products, the selling price, as if no loss or damage had occurred, less any discounts you offered and expenses you otherwise would have had.

- (8) Any salvage value of property obtained for temporary repairs or use following a "Breakdown" which remains after repairs are completed will be taken into consideration in the adjustment of any loss.

- m. The following additional conditions apply to the "Business Income" and "Extra Expense" coverage:

**(1) Annual Reports**

You must complete an Annual Report of Values form approved by us once each year. Your reports must reach us within three months of the annual report date shown in the Declarations and each anniversary of that date.

**(2) Adjustment Of Premium**

Upon receipt of the annual reports of values you furnish us, we will determine the amount of premium we earned for the past year. If the amount determined is more than the premium we have already charged for this coverage, you must pay the difference. If the amount determined is less than the premium we originally charged, we will refund the difference. However, the amount we return will not exceed 75% of the premium we originally charged.

**(3) Coinsurance**

This Coinsurance Condition applies only if we did not receive your Annual Report of Values form within three months of the due date as outlined in Paragraph (1).

(a) We will not pay the full amount of any loss if:

(i) The "Business Income Actual Annual Value" at the time of loss is greater than the "Business Income Estimated Annual Value" shown in your latest report; or

(ii) Your report was received by us more than three months after the due date, or your report is overdue.

(b) Instead, we will determine the most we will pay using the following steps:

(i) Divide the "Business Income Estimated Annual Value" by the "Business Income Actual Annual Value" at the time of the "Breakdown";

(ii) Multiply the total amount of the covered loss of "Business Income" by the figure determined in Step (i); and

(iii) Subtract any applicable deductible from the amount determined in Step (ii).

We will pay the amount determined in Step (iii) or the "Business Income" and "Extra Expense" limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

If coverage is provided for more than one premises, then this Coinsurance Condition applies separately to each premises.

## 2. General Conditions

### a. Additional Insured

If a person or organization is designated in this Coverage Part as an additional insured, we will consider them to be an insured under this Coverage Part to the extent of their interest.

### b. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve us of our obligation under this Coverage Part.

### c. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact by you or any other insured, at any time, concerning:

(1) This Coverage Part;

(2) The "Covered Property";

(3) Your interest in the "Covered Property"; or

(4) A claim under this Coverage Part.

### d. Liberalization

If we adopt any standard form revision for general use that would broaden coverage in this Coverage Part without additional premium, the broadened coverage will immediately apply to this Coverage Part if the revision is effective within 45 days prior to or during the policy period.

### e. Mortgageholder

(1) The term mortgageholder includes trustee.

(2) We will pay for direct damage to "Covered Property" due to a "Breakdown" to "Covered Equipment" to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

(3) The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the "Covered Property".

(4) If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(a) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(c) Has notified us of any change in ownership or material change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- (5) If we pay the mortgageholder for any loss and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (a) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (b) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- (6) If we cancel this policy, we will give written notice to the mortgageholder at least:
- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (b) 30 days before the effective date of cancellation if we cancel for any other reason.
- (7) If we do not renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.
- (8) If we suspend coverage, it will also be suspended as respects the mortgageholder. We will give written notice of the suspension to the mortgageholder.

**f. No Benefit To Bailee**

No person or organization, other than you, having custody of "Covered Property" will benefit from this insurance.

**g. Policy Period, Coverage Territory**

Under this Coverage Part:

- (1) We cover loss or damage commencing:
- (a) During the policy period shown in the Declarations; and
  - (b) Within the coverage territory.
- (2) The coverage territory is:
- (a) The United States of America (including its territories and possessions);

(b) Puerto Rico; and

(c) Canada.

**h. Premium And Adjustments**

You shall report to us 100% of the total insurable values at each premises every year as of the anniversary date. The values shall be reported separately for each of the coverages provided. Premium for each anniversary will be promulgated for the ensuing period on the basis of rates in effect at the anniversary date and for all values at risk.

You agree to keep the applicable records for each policy year available for inspection by our representatives at all times during business hours, during the respective policy year, and for a period of 12 months after the end of the respective policy year or after cancellation of this Coverage Part.

**i. Suspension**

Whenever "Covered Equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from a "Breakdown" to that "Covered Equipment". This can be done by delivering or mailing a written notice of suspension to:

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

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "Covered Equipment".

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

**3. Joint Or Disputed Loss Agreement**

- a. This condition is intended to facilitate payment of insurance proceeds when:
- (1) Both a commercial property policy and this equipment breakdown protection policy are in effect;
  - (2) Damage occurs to Covered Property that is insured by the commercial property policy and this equipment breakdown protection policy; and
  - (3) There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.

- b.** This condition does not apply if:
- (1)** Both the commercial property insurer(s) and we do not admit to any liability; and
  - (2)** Neither the commercial property insurer(s) nor we contend that coverage applies under the other insurer's policy.
- c.** The provisions of this condition apply only if all of the following requirements are met:
- (1)** The commercial property policy carried by the Named Insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this condition;
  - (2)** The damage to the Covered Property was caused by a loss for which:
    - (a)** Both the commercial property insurer(s) and we admit to some liability for payment under the respective policies; or
    - (b)** Either:
      - (i)** The commercial property insurer(s) does not admit to any liability for payment, while we contend that:
        - i.** All liability exists under the commercial property policy; or
        - ii.** Some liability exists under both the commercial property policy and this equipment breakdown protection policy;
      - (ii)** We do not admit to any liability for payment, while the commercial property insurer(s) contends that:
        - i.** All liability exists under this equipment breakdown protection coverage policy; or
        - ii.** Some liability exists under both the commercial property policy and this equipment breakdown protection policy; or
      - (iii)** Both the commercial property insurer(s) and we:
        - i.** Do not admit to any liability for payment; and
        - ii.** Contend that some or all liability exists under the other insurer's policy; and
  - (c)** The total amount of the loss is agreed to by you, the commercial property insurer(s) and us.
- d.** If the requirements listed in Paragraph **c.** above are satisfied, we and the commercial property insurer(s) will make payments to the extent, and in the manner, described as follows:
- (1)** We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this equipment breakdown protection policy and one-half (1/2) the amount of the loss that is in disagreement.
  - (2)** The commercial property insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the commercial property policy and one-half (1/2) the amount of loss that is in disagreement.
  - (3)** Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs **(1)** and **(2)**, do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.
  - (4)** The amount in disagreement to be paid by us under this condition shall not exceed the amount payable under the equivalent Loss Agreement(s) of the commercial property policy.
  - (5)** The amount to be paid under this condition shall not exceed the amount we would have paid had no commercial property policy been in effect at the time of loss. In no event will we pay more than the applicable Limit Of Insurance shown in the Declarations.
  - (6)** Acceptance by you of sums paid under this condition does not alter, waive or surrender any other rights against us.
- e. Arbitration**
- (1)** If the circumstances described in Paragraph **c.(2)(a)** exist and the commercial property insurer(s) and we agree to submit our differences to arbitration, the commercial property insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after payment of the loss under the terms of this condition.

(2) If any of the circumstances described in Paragraph **c.(2)(b)** exist, then the commercial property insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this condition.

(3) You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the commercial property insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

#### **f. Final Settlement Between Insurers**

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration expenses are not a part of the excess contribution for which Liquidated Damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

#### **F. Definitions**

##### **1. "Breakdown":**

- a.** Means the following direct physical loss that causes damage to "Covered Equipment" and necessitates its repair or replacement:
  - (1) Failure of pressure or vacuum equipment;
  - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
  - (3) Electrical failure including arcing;

unless such loss or damage is otherwise excluded within this coverage form.

##### **b. Does not mean or include:**

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to "Covered Equipment";
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (4) Damage to any vacuum tube, gas tube, or brush;
- (5) Damage to any structure or foundation supporting the "Covered Equipment" or any of its parts;
- (6) The functioning of any safety or protective device; or
- (7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

##### **2. "Business Income" means the:**

- a.** Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b.** Continuing normal operating expenses incurred, including payroll.

##### **3. "Business Income Actual Annual Value" means the sum of the Net Income and continuing normal operating expenses incurred, including payroll that would have been earned had the "Breakdown" not occurred.**

##### **4. "Business Income Estimated Annual Value" means the sum of the Net Income and continuing normal operating expenses incurred, including payroll as estimated by you in the most recent Annual Report of Values form on file with us.**

##### **5. "Computer Equipment" means:**

- a.** Your programmable electronic equipment that is used to store, retrieve and process data; and
- b.** Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.

It does not include "Data" or "Media".

**6. "Covered Equipment":**

**a. Means and includes any:**

- (1)** Equipment built to operate under internal pressure or vacuum other than weight of contents;
- (2)** Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
- (3)** Communication equipment and "Computer Equipment"; and
- (4)** Equipment in Paragraphs **(1)**, **(2)** and **(3)** that is owned by a public or private utility and used solely to supply utility services to your premises.

However, if Coverage **A.2.e. Utility Interruption** is provided, then Paragraph **6.a.(4)** does not apply.

Except for Paragraph **6.a.(4)**, Utility Interruption and Contingent "Business Income" and "Extra Expense" or "Extra Expense" only coverages, the "Covered Equipment" must be located at a premises described in the Declarations and be owned, leased or operated under your control.

**b. Does not mean or include any:**

- (1)** "Media";
- (2)** Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (3)** Insulating or refractory material, but not excluding the glass lining of any "Covered Equipment";
- (4)** Nonmetallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or another appropriate and approved code;
- (5)** Catalyst;
- (6)** Vessels, piping and other equipment that is buried belowground and requires the excavation of materials to inspect, remove, repair or replace;
- (7)** Structure, foundation, cabinet or compartment supporting or containing the "Covered Equipment" or part of the "Covered Equipment" including penstock, draft tube or well casing;

**(8)** Vehicle, aircraft, self-propelled equipment or floating vessel including any "Covered Equipment" that is mounted upon or used solely with any one or more vehicle(s), aircraft, self-propelled equipment or floating vessel;

**(9)** Dragline, excavation or construction equipment including any "Covered Equipment" that is mounted upon or used solely with any one or more dragline(s), excavation or construction equipment;

**(10)** Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, nonelectrical cable, chain, belt, rope, clutch plate, brake pad, nonmetal part or any part or tool subject to periodic replacement;

**(11)** Machine or apparatus used solely for research, diagnosis, medication, surgical, therapeutic, dental or pathological purposes including any "Covered Equipment" that is mounted upon or used solely with any one or more machine(s) or apparatus unless Diagnostic Equipment is shown as INCLUDED in the Declarations; or

**(12)** Equipment or any part of such equipment manufactured by you for sale.

**7. "Covered Property" means any property that:**

**a. You own; or**

**b. Is in your care, custody or control and for which you are legally liable.**

**8. "Data" means:**

**a. Programmed and recorded material stored on "Media"; and**

**b. Programming records used for electronic data processing, or electronically controlled equipment.**

**9. "Extra Expense" means the additional cost you incur to operate your business during the "Period of Restoration" over and above the cost that you normally would have incurred to operate the business during the same period had no "Breakdown" occurred.**

**10. "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.**

11. "Green" means enhanced energy efficiency or use of environmentally-preferable, sustainable materials, products or methods in design, construction, manufacture or operation, as recognized by a "Green standards-setter".
12. "Green standards-setter" means an organization or governmental agency which produces and maintains guidelines related to "Green" products and practices. "Green standards-setters" include but are not limited to:
  - a. The Leadership in Energy and Environmental Design (LEED®) program of the U.S. Green Building Council;
  - b. ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
  - c. Green Globes™, a program of the Green Building Initiative.
13. "Hazardous Substance" means any substance other than ammonia that has been declared to be hazardous to health by a government agency.
14. "Media" means electronic data processing or storage media such as films, tapes, discs, drums or cells.
15. "One Breakdown" means if an initial "Breakdown" causes other "Breakdowns", all will be considered "One Breakdown". All "Breakdowns" at any one premises that manifest themselves at the same time and are the direct result of the same cause will be considered "One Breakdown".
16. "Period of Restoration" means the period of time that:
  - a. Begins at the time of the "Breakdown" or 24 hours before we receive notice of "Breakdown", whichever is later; and
  - b. Ends five consecutive days after the date when the damaged property at the premises described in the Declarations is repaired or replaced with reasonable speed and similar quality.
17. "Stock" means merchandise held in storage or for sale, raw materials, property in process or finished products including supplies used in their packing or shipping.

POLICY NUMBER:

EQUIPMENT BREAKDOWN  
EB DS 07 09 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM DECLARATIONS

<b>Company Name Area:</b> Arch Specialty Insurance Company
<b>Producer Name Area:</b> NSM Insurance Group
<b>Named Insured:</b> Golden Hills Homeowner Association
<b>Mailing Address:</b> 3309 COMSTOCK AVE Bellevue, NE 68123
<b>Policy Number:</b>
<b>Policy Period</b>
<b>From:</b> 2/1/2025
<b>To:</b> 2/1/2026

12:01 AM at your mailing address shown above

**PREVIEW**



Insurance applies only to a coverage for which a Limit of Insurance, a number of Days/Hours or the word **INCLUDED** is shown. If **INCLUDED** is shown, then the limit for that coverage is part of the Limit Per Breakdown.

Coverage	Limit Of Insurance Or Days/Hours
<b>Limit Per Breakdown</b>	
1. <b>Property Damage</b>	\$17,068,700
2. <b>Expediting Expense</b>	\$25,000
3. <b>Business Income/Extra Expense</b> a. <b>Extra Expense Only</b> b. <b>Extended Period Of Restoration</b> (Number Of Days Of Coverage) c. <b>Data Or Media</b> (\$25,000 Limit Of Insurance) or	<b>Days</b>
4. <b>Spoilage Damage</b>	\$25,000
5. <b>Utility Interruption</b> a. <b>Coverage applies only if the interruption of services lasts at least:</b>	<b>72 Hours</b>
6. <b>Newly Acquired Premises</b> a. (Number Of Days Of Coverage)	<b>INCLUDED Days</b>
7. <b>Ordinance Or Law</b>	\$25,000
8. <b>Errors And Omissions</b>	\$25,000
9. <b>Brands And Labels</b>	\$25,000
10. <b>Contingent Business Income/Extra Expense</b> a. <b>Covered Premises:</b> N/A  b. <b>Sales, Services Or Materials:</b>	

Limited Coverage For Fungus, Wet Rot And Dry Rot	
Revised Limit \$	
Separate Premises Option	<input type="checkbox"/> Yes <input type="checkbox"/> No
Revised Limits	Description Of Premises
\$	
\$	
\$	
<b>Business Income And Extra Expense Or Extra Expense Only – Revised Number Of Days</b>	

Increased Cost Of Loss And Related Expenses For "Green" Upgrades
Revised Property Damage Limit \$
<b>Business Income And Extra Expense Or Extra Expense Only – Revised Number Of Days</b>
Unless a higher limit or <b>INCLUDED</b> is shown, the most we will pay for direct damage to covered property is \$25,000 for each of the following. These limits are part of, not in addition to, the Property Damage or Limit Per Breakdown.

Coverage Limitations	Limit Of Insurance
<b>Ammonia Contamination</b> <b>Consequential Loss</b> <b>Data And Media</b> <b>Hazardous Substance</b> <b>Water Damage</b>	

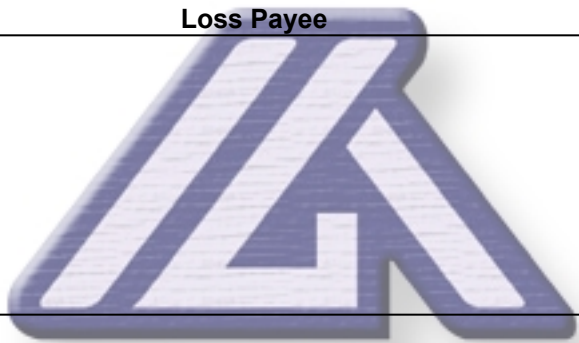
Conditions And Optional Coverage	
<b>Business Income Annual Value</b> <b>Business Income Coinsurance Percentage</b> <b>Business Income Report Date</b> <b>Diagnostic Equipment</b> (Included Or Excluded)	\$

The deductible applies only to a coverage for which an amount, hours, days or the word **INCLUDED** is shown. If **INCLUDED** is shown, then the deductible for that coverage is part of the Combined Deductible.

Deductibles	Amounts, Hours Or Days
<b>Property Damage</b>	\$25,000
<b>Business Income And Extra Expense</b>	\$25,000
<b>Spoilage Damage</b>	\$25,000
<b>Utility Interruption</b>	72 Hours
<b>Other:</b>	\$25,000
<b>Combined Deductible</b> \$	



**PREVIEW**

**Additional Insured****Name:****Address:****Name:****Address:****Mortgageholder****Name:****Address:****Name:****Address:****Loss Payee****Name:****Address:****Name:****Address:****Forms Applicable (Show Numbers)****PREVIEW****Countersignature Of Authorized Representative****Name:****Title:****Signature:****Date:**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**HABITATIONAL PROPERTY ENHANCEMENT ENDORSEMENT**

It is agreed that the following extensions apply in the event that no other specific coverage for the indicated loss exposures are provided under this policy. If such specific coverage applies, the terms, conditions, and limits of that coverage are the sole and exclusive coverage applicable under this policy.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM

The provisions of the Building and Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form and the Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. This endorsement applies only to the extent the forms named above are included in this policy

The following **Property Enhancement Supplemental Schedule** is a summary of increased Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy.

**PROPERTY ENHANCEMENT SUPPLEMENTAL SCHEDULE**

<b>Property Enhancement Deductible</b>	<b>\$2,500</b>
<b>Additional Coverages And Coverage Extensions</b>	<b>Limits of Insurance</b>
Accounts Receivable: <ul style="list-style-type: none"><li>On Described Premises</li><li>Off Described Premises</li></ul>	\$50,000 Each Described Premises, Per Occurrence \$50,000 Not at Described Premises, Per Occurrence
Damage To Building From Theft	\$5,000 Per Occurrence
Electronic Data	\$25,000 Annual Aggregate
Employee Dishonesty	\$25,000 Per Occurrence
Fine Arts	\$25,000 Each Described Premises
Fire Extinguisher Systems Expense	\$10,000 Per Occurrence
Forgery Or Alteration	\$25,000 Per Occurrence
Lost Keys To Master Locks	\$25,000 Per Occurrence
Money And Securities: <ul style="list-style-type: none"><li>On Described Premises</li><li>Off Described Premises</li></ul>	\$25,000 Per Occurrence \$25,000 Per Occurrence
Newly Acquired Or Constructed Property: <ul style="list-style-type: none"><li>Buildings</li><li>Your Business Personal Property</li></ul>	\$1,000,000 Each Building \$500,000 Each Building

Ordinance Or Law: <ul style="list-style-type: none"> <li>• Demolition Cost</li> <li>• Increased Cost of Construction</li> <li>• Loss To The Undamaged Portion Of The Building</li> </ul>	\$100,000 Per Occurrence \$100,000 Per Occurrence \$100,000 Per Occurrence
Outdoor Property	\$25,000 Per Occurrence
Outdoor Signs	\$5,000 Per Occurrence
Pollutant Clean-Up And Removal	\$25,000 Annual Aggregate At Each Described Premises
Property Off-Premises	\$50,000 Per Occurrence
Reward Payment: <ul style="list-style-type: none"> <li>• Information</li> <li>• Returned Stolen Covered Property</li> </ul>	\$10,000 Per Person, Per Occurrence \$10,000 Per Person, Per Occurrence
Trees, Shrubs And Plants	\$1,000 Any One Tree, Shrub Or Plant \$25,000 Per Occurrence
Backup Of Sewers And Drains	\$25,000 Per Occurrence
Utility Services – Time Element	\$25,000 Per Occurrence
Valuable Papers And Records(Other Than Electronic Data): <ul style="list-style-type: none"> <li>• On Described Premises</li> <li>• Off Described Premises</li> </ul>	\$25,000 Each Described Premises \$25,000 Per Occurrence

### BUILDING AND PERSONAL PROPERTY COVERAGE FORM

- A. 1.** The following is added to **a. Building** of Paragraph 1. **Covered Property** of section **A. Coverage**:

Building glass (other than art glass windows or stained glass).

- 2.** The following subparagraph is added to Paragraph 1. **Covered Property** of section **A. Coverage**:

Fine Arts, whether owned by:

- (a) You; or  
(b) Others and in your care, custody or control.

Fine arts includes paintings, etchings, drawings, pictures, tapestries, sculptures, art glass windows and other bona fide works of art and property of rarity, historical value or artistic merit.

We will cover objects of fine art at locations you acquire during the policy period, for up to 90 days, but not beyond the end of the policy period.

You will report such property within 90 days from the date acquired or constructed and pay additional premium that is due.

The value of fine arts will be their “market value”.

The most we will pay for loss of or damage to fine arts under this coverage at each described premises is the amount shown in the Property Enhancement Supplemental Schedule.

Our payment for loss of or damage to fine arts of others will only be for the account of the owner of the fine arts.

As a condition of coverage, you agree that if fine arts are to be moved, whether on or off described premises, and such move requires packing or unpacking, the packing or unpacking will be done by competent persons trained in packing and unpacking fine arts.

- B.** Subparagraphs **2.a.** and **2.q.** of section **A. Coverage** are deleted in their entirety and replaced by the following:

**2. Property Not Covered**

Covered Property does not include:

- a.** Accounts, bills, currency, food stamps or other evidences of debt, “money”, notes or “securities”, except as provided in the Additional Coverages.
- q.** The following property while outside of buildings:
  - (1)** Grain, hay, straw or other crops;
  - (2)** Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than “stock” of trees, shrubs or plants), all except as provided in the Additional Coverages or Coverage Extensions

- C.** Paragraph **4. Additional Coverages** of section **A. Coverage** is amended by adding the following:

The most we will pay for loss or damage under any of the following Additional Coverages is the Limit(s) of Insurance shown in each, unless a different limit(s) for that Additional Coverage is shown in the Supplemental Schedule.

- D.** Subparagraph **d. Pollutant Clean-up And Removal** in Paragraph **4. Additional Coverage** of Section **A. Coverage** is amended to provide a limit of up to the amount shown in the Property Enhancement Supplemental Schedule.
- E.** Subparagraph **e. Increased Cost Of Construction** in Paragraph **4. Additional Coverage** of Section **A. Coverage** is deleted in its entirety.
- F.** Subparagraph **f. Electronic Data** in Paragraph **4. Additional Coverage** of Section **A. Coverage** is amended by deleting subparagraph **4.f.(4)** in its entirety and replacing it with the following:

**f. Electronic Data**

- (4)** The most we will pay under this Additional Coverage – Electronic Data is the amount shown in the Property Enhancement Supplemental Schedule for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year.

With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

**G.** The following are added to paragraph 4. **Additional Coverages** of section **A. Coverage**:

**Damage To Building From Theft**

- (1) If loss or damage caused by “theft” or attempted “theft” occurs to buildings you occupy, but do not own, at a described premises, we will also pay the amount you are legally liable to pay for such loss or damage.
- (2) The most we will pay under this Additional Coverage in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.

However, we will not pay for loss that is an indirect result of an occurrence covered by this insurance including, but not limited to, loss resulting from:

- (a) Your inability to realize income that you would have realized had there been no loss or damage to money, securities, or other property;
- (b) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance;
- (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

**Employee Dishonesty**

- (1) We will pay for direct loss or damage to Your Business Personal Property and your “money” and “securities” resulting from dishonest acts committed by any of your “employees” acting alone or in collusion with other persons (except you or your partners, “members” or “managers”) with the manifest intent to
  - (a) Cause you to sustain loss or damage; and also
  - (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - (i) Any “employee”;
    - (ii) Any other person or organization.

However, we will not pay for loss that is an indirect result of an occurrence covered by this insurance including, but not limited to, loss resulting from:

- (a) Your inability to realize income that you would have realized had there been no loss or damage to money, securities, or other property;
- (b) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance;



- (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
- (2) We will not pay for loss or damage:
- (a) Resulting from any dishonest or criminal act committed by you or any of your partners, "members", officers, "managers", directors, trustees, authorized representatives or anyone to whom you entrust Your Business Personal Property or "money" and "securities", for any purpose, whether acting alone or in collusion with other persons;
- (b) If the only proof as to its existence or amount is one or both of the following
- (i) An inventory computation; or
- (ii) A profit and loss computation; or
- (c) Caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated
- (3) Exclusion **2.h.** of section **B. Exclusions** in the **Causes Of Loss – Special Form** does not apply to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.
- (5) All loss or damage:
- (a) Caused by one or more "employees"; and
- (b) Involving a single act or series of related acts is considered one occurrence.
- (6) We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period
- (7) This Additional Coverage does not apply to loss or damage caused by any "employee" after discovery by:
- (a) You; or
- (b) Any of your partners, officers, directors, "members" or "managers" not in collusion with the "employee" of any dishonest act committed by that "employee" before or after being hired by you.
- (8) We will pay only for loss or damage discovered no later than one year from the end of the policy period
- (9) If you discover a loss or damage during the policy period that you (or any predecessor in interest) sustained during the period of any prior insurance that you could have recovered under that insurance, except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:



- (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (10) The insurance under paragraph (9) above is provided within, and not in addition to, the Limit of Insurance applying to this Additional Coverage shown in the Property Enhancement Supplemental Schedule and is limited to the lesser of the amount recoverable under:
  - (a) This Additional Coverage as of its effective date; or
  - (b) The prior insurance, had it remained in effect.

#### **Fire Extinguisher Systems Expense**

- (1) We will pay the cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing, if needed) if they are discharged on or within 1,000 feet of the described premises.
- (2) This Additional Coverage does not apply if:
  - (a) The fire extinguishing system is discharged during installation or testing; or
  - (b) The described premises is or has a restaurant or open cooking or deep fat frying exposures, and the fire extinguishing system is not in compliance with NFPA standard #96 or UL 300.
- (3) The most we will pay under this Additional Coverage in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.
- (4) No deductible applies to this Additional Coverage.

#### **Forgery Or Alteration**

- (1) We will pay 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 or drawn by or drawn upon you;
  - (b) Made or drawn by one acting as your agent; or
  - (c) That are purported to have been so made or drawn.

However, we will not pay for loss that is an indirect result of an occurrence covered by this insurance including, but not limited to, loss resulting from:

- (a) Your inability to realize income that you would have realized had there been no loss or damage to money, securities, or other property;

- (b) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance;
  - (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
- (2) For the purposes of this Additional Coverage, we will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
  - (3) If you are sued for refusing to pay any instrument covered in paragraph (1) above on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will reimburse you for any reasonable legal expenses that you incur and pay in that defense.
  - (4) The most we will pay under this Additional Coverage for loss in any one occurrence, including legal expenses, is the amount shown in the Property Enhancement Supplemental Schedule.

#### **Lost Keys to Master Locks**

- (1) If a master key is lost or damaged due to the occurrence of a Covered Cause of Loss, we will pay the cost of replacing the master key and individual lock keys and the repair or replacement of door locks, as required.
- (2) The most we will pay under this Additional Coverage in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.
- (3) Exclusions **2.b** and **2.h** under **Section B. Exclusions in the Causes of Loss – Special Form** do not apply to this Additional Coverage.

#### **Money And Securities**

- (1) We will pay for loss or damage to your “money” and “securities” which results directly from “theft”, disappearance or destruction while:
  - (a) Inside covered Buildings or a banking or safe depository institution; or
  - (b) Outside covered Buildings while in the custody of:
    - (i) A messenger; or
    - (ii) An armored motor vehicle company.

For the purposes of this Additional Coverage, messenger means you, or a relative of yours, or any of your partners, officers, “managers”, “employees” or hired messengers.

However, we will not pay for loss that is an indirect result of an occurrence covered by this insurance including, but not limited to, loss resulting from:

- (a) Your inability to realize income that you would have realized had there been no loss or damage to money, securities, or other property;

- (b) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance;
  - (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
- (2) We will not pay for loss:
  - (a) Resulting from accounting or arithmetical errors or omissions;
  - (b) Due to the giving or surrendering of property in any exchange or purchase; or
  - (c) Of "money" contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous reading instrument in the device.
- (3) The most we will pay under this Additional Coverage for loss of or damage to your "money" and "securities" in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.
- (4) All loss:
  - (a) Caused by one or more persons; and
  - (b) Involving a single act or series of related acts is considered one occurrence.
- (5) Loss due to acts of your "employees" is not covered under this Additional Coverage.
- (6) You must keep records of all "money" and "securities" so we can verify the amount of any loss.

#### **Ordinance Or Law**

- (1) The most we will pay under this Additional Coverage for loss or damage in any one occurrence are the amounts shown in the Property Enhancement Supplemental Schedule. The terms of this Additional Coverage apply separately to each building that is Covered Property.
- (2) **Loss To The Undamaged Portion Of The Building**
  - (a) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that require the demolition of the undamaged portion of the same building.
  - (b) The Limit of Insurance for **Loss To The Undamaged Portion Of The Building** shown in the Property Enhancement Supplemental Schedule is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building. It does not increase the Limit of Insurance.
- (3) **Demolition Cost**

(a) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the cost to demolish the building and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

(b) Coinsurance does not apply to this Additional Coverage.

**(4) Increased Cost Of Construction**

(a) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased cost to:

(i) Repair or reconstruct damaged portions of that building; or

(ii) 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,

(i) 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.

(ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

(b) Coinsurance does not apply to this Additional Coverage.

**(5) Under this Additional Coverage, we will not pay for:**

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot, dry rot or bacteria.

(b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet rot, dry rot or bacteria.

(c) Any costs due to an ordinance or law that:

(i) You are required to comply with before the loss, even when the building was undamaged; and

(ii) You failed to comply.

**(6) Additional Loss Provisions**

The following additional loss payment provisions apply to this Additional Coverage:

- (a) For loss in value to the undamaged portion of a building to which this Additional Coverage applies, loss payment, including damaged and undamaged portions, will be determined as follows:

If Replacement Cost applies and the property is being repaired or replaced, on the same or another location, we will pay the lesser of:

- (i) The cost to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same location and to the same height, floor area, style and comparable quality of the original property insured; or
- (ii) The Limit of Insurance shown in the Declarations as applicable to the covered Building that is damaged.

If Replacement Cost applies and the property is not repaired or replaced, or if Replacement Cost does not apply, we will pay the lesser of:

- (i) The actual cash value of the building at the time of loss; or
- (ii) The Limit of Insurance shown in the Declarations as applicable to the covered Building.

- (b) Loss payment for Demolition Cost will be determined as follows: We will pay the lesser of the following:

- (i) The amount you actually spend to demolish and clear the site of the described premises; or
- (ii) The applicable Limit of Insurance for Demolition Cost shown in the Property Enhancement Supplemental Schedule.

- (c) Loss payment for Increased Cost Of Construction will be determined as follows: We will not pay for Increased Cost Of Construction:

- (i) Until the property is actually repaired, reconstructed, remodeled or replaced at the same or another location; and
- (ii) Unless the repairs, reconstruction, remodeling 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.

If the building is repaired, reconstructed, remodeled or replaced at the same location, or if you elect to rebuild at another premises, we will pay the lesser of:

- (i) The Increased Cost Of Construction at the same location; or
- (ii) The applicable Limit of Insurance for Increased Cost Of Construction shown in the Property Enhancement Supplemental Schedule.

If the ordinance or law requires relocation to another location, we will pay the lesser of:

- (i) The Increased Cost Of Construction at the new location; or

- (ii) The applicable Limit of Insurance for Increased Cost Of Construction shown in the Property Enhancement Supplemental Schedule.

### Outdoor Signs

- (1) We will pay for direct physical loss or damage to outdoor signs whether or not the signs are attached to a building at the described premises:
  - (a) Owned by you; or
  - (b) In your care, custody or control.
- (2) Section **B. Exclusions** in the **Causes Of Loss – Special Form** does not apply to this Additional Coverage, except for the following:
  - (a) Earth Movement;
  - (b) Governmental Action;
  - (c) Nuclear Hazard;
  - (d) War And Military Action;
  - (e) Water; and
  - (f) Paragraphs **2.d. (1), (2) and (6)**.
- (3) The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.

### Reward Payment

- (1) We will reimburse you for rewards paid as follows:
  - (a) Up to the amount shown in the Property Enhancement Supplemental Schedule to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:
    - (i) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
    - (ii) The amount determined by the loss settlement procedure applicable to the Covered Property under the **Loss Payment** Condition.
  - (b) Up to the amount shown in the Property Enhancement Supplemental Schedule to an eligible person for the return of stolen Covered Property, when the loss or damage is caused by "theft". However, we will pay no more than the lesser of the following amounts:



- (i) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
  - (ii) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the **Loss Payment** Condition.
- (2) The following additional conditions apply:
  - (a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:
    - (i) You;
    - (ii) Your "employee";
    - (iii) Any person employed by a law enforcement agency or a business engaged in property protection;
    - (iv) Any person who had custody of the Covered Property at the time the "theft" was committed; or
    - (v) Any person involved in the crime.
  - (b) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned to you.
  - (c) You must have issued public notice of reward prior to the first person volunteering the information or returning the stolen Covered Property.
- (3) The most we will reimburse you under this Additional Coverage in any one occurrence is the lesser of the amount of the reward actually paid or the amount shown in the Property Enhancement Supplemental Schedule.

#### **Backup Of Sewers And Drains**

- (1) We will pay for direct physical loss or damage to Covered Property caused by or resulting from water or waterborne material:
  - (a) That backs up or overflows from a sewer or drain located on a described premises;
  - (b) That overflows from a sump located on a described premises, even if the overflow results from mechanical breakdown of a sump pump or its appurtenant equipment. However, we will not pay the cost of repairing or replacing a sump pump or its appurtenant equipment in the event of mechanical breakdown.
- (2) This Additional Coverage does not apply to loss or damage resulting from the routine maintenance or repair:
  - (a) Of sump pumps and their appurtenant equipment; or
  - (b) To keep sewers and drains free from obstructions.

- (3) The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.
- (4) With respect to this Additional Coverage, the **Water** exclusion in paragraph 1.g. in **B. Exclusions** in the **Causes Of Loss – Special Form** is deleted in its entirety and replaced by the following:

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow from any body of water or their spray, all whether driven by wind or not; or
- (2) Mudslide or mudflow.

But, if Water, as described above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

This exclusion does not apply to accounts receivable, “computers”, property on exhibition, fine arts, or “valuable papers and records”.

**Valuable Papers And Records (Other Than Electronic Data)**

- (1) We will cover the cost to replace or restore the lost information on “valuable papers and records” for which duplicates do not exist when the lost information is a result of a Covered Cause of Loss. But, this Additional Coverage does not apply to “valuable papers and records” that exist as electronic data. Electronic data has the meaning described under **A. 2. Property Not Covered** of section **A. Coverage**.
- (2) The most we will pay under this Additional Coverage at each described premises to replace or restore the lost information is the amount shown in the Property Enhancement Supplemental Schedule. Such amount includes the cost of blank material for reproducing the records whether or not duplicates exist, and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.
- (3) For loss or damage to “valuable papers and records” off premises, the most we will pay in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.

**H.** Paragraph **5.c. Valuable Papers And Records (Other Than Electronic Data)** of section **A. Coverage** is deleted.

**I.** Section 5. Coverage Extensions, paragraph a. Newly Acquired Or Constructed Property of section A. Coverage is amended as follows:

- 1. The last paragraph of **(1) Buildings** is replaced by the following:

The most we will pay under this Extension for loss or damage at each building is the amount shown in the Property Enhancement Supplemental Schedule.



2. The last paragraph of **(2) Your Business Personal Property** is replaced by the following:

The most we will pay under this Extension for loss or damage at each building is the amount shown in the Property Enhancement Supplemental Schedule.

3. Subparagraph **(3) Period Of Coverage** is replaced by the following:

**Period of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days after you acquire the property or begin construction of that part of the building that would qualify as Covered Property;
- (c) With respect to “computers”, when specific insurance at the newly acquired premises is obtained; or
- (d) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as Covered Property.

- J. Paragraphs **5. d.** and **e.** of section **A. Coverage** are deleted in their entirety and replaced as follows:

**5. Coverage Extensions**

**d. Property Off-Premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a premises you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle, except “computers” and duplicate or backup records;
  - (b) In the care, custody or control of your salespersons, unless such property is in such care, custody or control at a fair, trade show or exhibition; or

- (c) That is “computers” located at a premises you do not own, lease or operate for more than 90 days. This includes duplicate or backup records stored at a separate premises that is at least 1,000 feet from a described premises.

- (3) The most we will pay under this Extension for loss or damage in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.

**e. Outdoor Property**

- (1) You may extend the insurance that applies to covered Buildings or Your Business Personal Property to apply to the following outdoor property located at the described premises:

- (a) Fences or retaining walls that are not a part of a building.
- (b) Outdoor radio, television, satellite dishes or other antennas, including their masts, towers and lead-in and support wiring.

- (2) This Extension only applies to loss or damage caused by or resulting from the following causes of loss if they are Covered Causes of Loss:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or civil commotion; or
- (e) Aircraft

- (3) The most we will pay under this Extension for loss or damage in any one occurrence, regardless of the number of the types or number of items damaged, are the amounts shown in the Property Enhancement Supplemental Schedule.

- K.** The following Coverage Extensions are added to paragraph 5. **Coverage Extensions** of section **A. Coverage**:

**Accounts Receivable**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to covered losses and expenses that you incur as a result of loss or damage to your records of accounts receivable. But, this Extension does not apply to records that exist as electronic data. Electronic data has the meaning described under **A.2. Property Not Covered** of section **A. Coverage**.

We will pay:

- (a) All amounts due from your customers that you are unable to collect;

- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable,

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- (2) The most we will pay under this Extension for loss or damage in any one occurrence at each described premises is the amount shown in the Property Enhancement Supplemental Schedule.

For accounts receivable not at described premises, the most we will pay in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.

- (3) We will not pay for loss or damage:

- (a) Caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (b) Caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (c) That requires any audit of records or any inventory computation to prove its factual existence.

#### **Trees, Shrubs And Plants**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to your trees, shrubs and plants, at described premises.
- (2) The most we will pay for loss or damage to covered trees, shrubs and plants, including debris removal expense, in any one occurrence, is the amount shown in the Property Enhancement Supplemental Schedule, but no more than the amount shown in the Property Enhancement Supplemental Schedule for any one tree, shrub or plant.
- (3) In addition to all applicable provisions of the **Causes Of Loss – Special Form**, the following exclusions apply to this Extension:

We will not pay for loss or damage to trees, shrubs or plants caused by or resulting from any of the following:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Rain, snow, ice or sleet.

## BUILDING INCOME (AND EXTRA EXPENSE) COVERAGE FORM

The following are added to paragraph **5. Additional Coverages** of section **A. Coverage**:

### Utility Services -Time Element

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense, as provided and limited in the applicable Coverage Form, for a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property away from the described premises.
- (2) Coverage under this Additional Coverage does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. Under this Additional Coverage, electronic data has the meaning described under **4. Additional Limitation - Interruption of Computer Operations** of Section **A. Coverage**.
- (3) Utility Services means:
  - (a) Water Supply Services, meaning property supplying water to the described premises.
  - (b) Communication Supply Services, meaning property supplying communication services to the described premises (not including overhead transmission lines).
  - (c) Power Supply Services, meaning property supplying electricity, steam or gas to the described premises (not including overhead transmission lines).
- (4) The Coinsurance Additional Condition does not apply to this Additional Coverage.
- (5) The most we will pay for the actual loss of Business Income and necessary Extra Expense in any one occurrence is the amount shown in the Property Enhancement Supplemental Schedule.

### CHANGES TO THE CAUSES OF LOSS – SPECIAL FORM

- A.** Paragraph **2.d.(6)** and **(7)** of section **B. Exclusions** are deleted in its entirety and replaced by the following:
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision. This exclusion does not apply to computers.
  - (7) The following causes of loss to personal property:
    - (a) Dampness or dryness of atmosphere or changes in or extremes of temperature, unless such conditions result from physical damage caused by a Covered Cause of Loss to an air conditioning unit or system, including equipment and parts that are part of or used with computers; or
    - (b) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a “specified cause of loss” or building glass breakage, we will pay for the loss or damage caused by that “specified cause of loss” or building glass breakage.

- B.** The following exclusions are added to Paragraph **1** of Section **B.** and apply only to coverage for “computers”:

#### **Errors Or Omissions**

Errors or omissions in processing, recording or storing information on media or “computers”.

However, we will pay for direct loss or damage caused by fire or explosion if these are Causes of Loss.

#### **Electrical Disturbance**

Electrical or magnetic injury, disturbance or erasure of electronic recordings.

However, we will pay for direct loss or damage caused by lightning.

#### **Computer-Related Losses**

The failure, malfunction or inadequacy of:

- (1)** Any of the following:
  - (a)** “Computer” hardware;
  - (b)** “Computer” application software;
  - (c)** “Computer” operating systems and related software;
  - (d)** “Computer” networks;
  - (e)** Microprocessors;
  - (f)** Any other computerized or electronic equipment or components; or
- (2)** Any products, services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in subparagraph **(1)** above, due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

#### **Computer Advice Or Consultation**

Any advice, consultation, design, evaluation, inspection, 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 the **Computer-Related Losses** exclusion.

- C.** If an excluded Cause of Loss as described in the **Electrical Disturbance, Computer- Related Losses** or **Computer Advice Or Consultation** exclusions above results in a “specified cause of loss”, or in elevator collision resulting from mechanical breakdown, we will pay only for the loss or damage caused by such “specified cause of loss” or elevator collision. We will not pay for repair,

replacement or modification of any items in the **Computer-Related Losses** exclusion to correct any deficiencies or change any features.

- D. Section **B. Exclusions** of the **Causes of Loss – Special Form** does not apply to the **Valuable Papers And Records (Other Than Electronic Data)** Additional Coverage and the **Accounts Receivable** Coverage Extension of Section I. of this endorsement, except for:

1. Paragraphs **2.f.**, **2.g.** and **3.**, and
2. The Governmental Action, Nuclear Hazard, War And Military Action, Computer-Related Losses, and Computer Advice Or Consultation exclusions.

#### IV. Definitions

The following additional definitions apply to this endorsement:

A. “Computer” means:

1. Programmable electronic equipment that is used to store, retrieve and process electronic data. It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in “computer” operations; and
2. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as electronic data transmission, but does not include electronic data and media

B. “Employee” means:

1. Any natural person:
  - a. While in your service or for 30 days after termination of service;
  - b. Who you compensate directly by salary, wages or commissions; and
  - c. Who you have the right to direct and control while performing services for you; or
2. Any natural person who is furnished temporarily to you:
  - a. To substitute for a permanent “employee” as defined in paragraph 1. above, who is on leave; or
  - b. To meet seasonal or short-term work-load conditions, while that person is subject to your direction and control and performing services for you.

“Employee” does not mean:

1. Any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
2. Any “manager”, director or trustee except while performing acts coming within the scope of the usual duties of an “employee”.



- C.** “Forgery” means the signing of the name of another person or organization with intent to deceive. It 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.
- D.** “Manager” means a person serving in a directorial capacity for a limited liability company.
- E.** “Market value” means the price which the property might be expected to realize, prior to a loss or damage, if offered for sale in a fair market on the date the loss or damage occurred, the cost of reasonable restoration of the property or the replacement of the property with substantially the same property, whichever is less.
- F.** “Members” means an owner of a limited liability company represented by its membership interest who also may serve as a “manager”.
- G.** “Money” means:
1. Currency, coins and bank notes in current use and having a face value; and
  2. Travelers checks, register checks and money orders held for sale to the public
- H.** “Securities” means negotiable and non-negotiable instruments or contracts representing either “money” or other property and includes:
1. Redeemed coupons, tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you, but does not include “money” or lottery tickets held for sale.
- I.** “Theft” means the unlawful taking of “money”, “securities” or other property to the deprivation of the insured.
- J.** “Valuable papers and records” means inscribed, printed or written:
1. Documents;
  2. Manuscripts;
  3. Records,
- including abstracts, books, card index systems, deeds, drawings, films, maps, mortgages and proprietary information.

But, “valuable papers and records” does not mean “money” or “securities”, converted data, programs or instructions used in your data processing operations, including the materials on which data is recorded.

All other terms and conditions of this Policy remain unchanged.



Endorsement Number:

Policy Number:

Named Insured: Golden Hills Homeowner Association

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 2/1/2025



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY RESIDENTIAL EXCLUSIONS ENDORSEMENT**

This endorsement modifies insurance provided under all Coverage Parts.

Notwithstanding any other provision in this policy to the contrary, this policy excludes:

- a. all loss or damage caused by water escaping from polybutylene piping;
- b. all loss or damage from fire or explosion from cooking appliances located externally less than 10 feet from Covered Property;
- c. all loss or damage from electrical failures, fire and explosion from the presence of: (i) aluminum wiring, (ii) any Federal Pacific Electric Stab-Lok panels or breakers, (iii) Zinsco, GTE-Zinsco, GTE-Sylvania-Zinsco panels or breakers, (iv) electrical fuse boxes, and (v) knob and tube wiring.
- d. all loss or damage caused by water or fire to any building or structure constructed with an "exterior insulation and finish system" However, this exclusion does not apply to decorative trim.

An "exterior insulation and finish system" means an exterior cladding or finish system consisting of: (i) a rigid or semi-rigid sheathing or insulation board, including gypsum-based, wood-based, or insulation-based materials; (ii) adhesive or mechanical fasteners used to attach the sheathing or insulation board to the substrate; (iii) a reinforcing mesh that is embedded in a coating applied to the sheathing or insulation board; and (iv) a finish coat. An "exterior insulation and finish system" includes Dryvit® systems and synthetic stucco exterior cladding or finish systems.

All other terms and conditions of this Policy remain unchanged.



**PREVIEW**

Endorsement Number:

Policy Number:

Named Insured: Golden Hills Homeowner Association

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WARRANTIES**

This endorsement modifies insurance provided under this policy.

**SCHEDULE**

<b>Premises Number and/or Location Address</b>	<b>Building Number</b>	<b>Warranted Protective Safeguards Symbols Applicable</b>
All	All	W13
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

**A.** The following is added to the Commercial Property Conditions:

**Warranted Protective Safeguards**

1. As a condition of this insurance, you are required to both have in existence (as you or your representative have represented to us or have accepted as a condition for securing coverage under this policy) and to maintain the protective safeguards listed in the Schedule above and as described below.
2. The protective safeguards to which this endorsement applies are identified by symbols representing the Protective Safeguard described.

**IT IS WARRANTED BY YOU AS A CONDITION PRECEDENT TO THE ACCEPTANCE OF THIS INSURANCE THAT:**

**“W1”** AUTOMATIC SPRINKLER SYSTEM – The insured premises is protected by a fully functioning “Automatic Sprinkler System” and, based on that protection, you shall exercise due diligence in maintaining, in complete working order, all equipment and services pertaining to its operation which are under your control. You shall give immediate notice to us of any impairment in or suspension of such equipment or service.

“Automatic Sprinkler System” means: (a) Any automatic fire protective or extinguishing system, including connected sprinklers and discharge nozzles; ducts, pipes, valves and fittings; tanks, their component parts and supports; and pumps and private fire protection mains; and (b) When supplied from an automatic fire protective system, non-automatic fire protective systems; and hydrants, standpipes and outlets.

- “W2”** CENTRAL STATION SPRINKLER ALARM SYSTEM – The insured premises is protected by a fully functioning Central Station Sprinkler Alarm System and, based on that protection, you shall exercise due diligence in maintaining, in complete working order, all equipment and services pertaining to its operation which are under your control. You shall give immediate notice to us of any impairment in or suspension of such equipment or service.
- “W3”** CENTRAL STATION BURGLAR ALARM SYSTEM – The insured premises is protected by a fully functioning Central Station Burglar Alarm System and, based on that protection, you shall exercise due diligence in maintaining, in complete working order, all equipment and services pertaining to its operation which are under your control. You shall give immediate notice to us of any impairment in or suspension of such equipment or service.
- “W4”** CENTRAL STATION FIRE AND/OR SMOKE ALARM SYSTEM – The insured premises is protected by a fully functioning Central Station Fire And/Or Smoke Alarm System and, based on that protection, you shall exercise due diligence in maintaining, in complete working order, all equipment and services pertaining to its operation which are under your control. You shall give immediate notice to us of any impairment in or suspension of such equipment or service.
- “W5”** ANSUL OR EQUIVALENT COOKING EXTINGUISHING SYSTEM – Insofar as is within your control, each and every commercial cooking occupancy of any location insured hereunder is protected by an approved ANSUL (or equivalent) chemical extinguishing system, including a hood, grease removal device and duct system, fully functioning and maintained in proper working order at all times during the currency of this policy. You shall give immediate notice to us of any impairment in or suspension of such equipment or service.
- “W6”** LOCKED and SECURED – The premises insured under this policy shall be kept locked and secured against unauthorized entry throughout the currency of this policy.
- “W7”** HEAT MAINTAINED – Heat will be maintained within the insured premises to a minimum of 50 degrees F.
- “W8”** HEAT MAINTAINED OR PIPES DRAINED – Heat will be maintained within the premises to a minimum 50 degrees Fahrenheit or all pipes drained of all liquids.
- “W9”** SECURITY SERVICE – Insofar as within your control, the insured premises shall be protected by a contracted on-premises Security Service 24 hours per day / 7 days per week. You shall give immediate notice to us of any impairment in or suspension of such service.
- “W10”** WATCHMAN – Insofar as is within your control, a contracted on-premises security service, that includes a recording system or watch clock, shall be maintained and making hourly rounds covering the entire building, at such times as the premises are not in actual operation. You shall give immediate notice to us of any impairment in or suspension of such service.
- “W11”** CARETAKER – The premises insured under this policy will have a caretaker on the premises throughout the currency of this policy. You shall give immediate notice to us of any impairment in or suspension of such service.
- “W12”** ROLL DOWN GATE – The premises insured shall be protected by roll down gates.
- “W13”** Other: Operational smoke detectors in all units and common areas
- “W14”** Other:
- “W15”** Other:

**"W16"** Other:

**"W17"** Other:

**FAILURE TO COMPLY WITH THE WARRANTED PROTECTIVE SAFEGUARDS AS LISTED IN THE SCHEDULE ABOVE SHALL SUSPEND ALL COVERAGE UNDER THIS POLICY FOR ALL PREMISES NOT IN COMPLIANCE, AND THIS SUSPENSION SHALL LAST UNTIL SUCH TIME AS THE PROTECTION OF THE PREMISES MEETS THE WARRANTED CONDITIONS STATED ABOVE.**

All other terms and conditions of this Policy remain unchanged.



Endorsement Number:

Policy Number:

Named Insured: Golden Hills Homeowner Association

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:



Signature Page

IN WITNESS WHEREOF, Arch Specialty Insurance Company has caused this policy to be executed and attested.

A handwritten signature in cursive script that reads "Brian D. First".

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Brian D. First  
President

A handwritten signature in cursive script that reads "Regan A. Shulman".

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Regan Shulman  
Secretary