THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

E4277
1st Edition

Policy Number: 606633837

POLICY CHANGES

Effective Date of Change: 11/01/2026

Expiration Date: 11/01/2027

Change Endorsement No.:

Agent: 07-50-27T

Named Insured:

PO BOX 2590
DILLON, CO, 80435-2566

The following item(s):

☐	Insured's Name	☐	Insured's Mailing Address
☐	Policy Number	☐	Company
☐	Effective / Expiration Date	☐	Insured's Legal Status / Business of Insured
☐	Payment Plan	☐	Premium Determination
☐	Additional Interested Parties	☐	Coverage Forms and Endorsements
☑	Limits / Exposures	☐	Deductibles
☐	Covered Property / Location Description	☐	Classification / Class Codes
☐	Rates	☐	Underlying Insurance

is (are) changed to read {See Additional Page(s)}:

The above amendments result in a change in the premium as follows:

☐ No Changes	☐ To Be Adjusted At Audit	Additional Premium $	Return Premium $
Authorized Representative Signature:			

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Policy Changes Endorsement Description

LIMITS/EXPOSURES
EDIT LOCATION
LOCATION 1:
2902 OSPREY LN SILVERTHORNE, CO 80498
CHANGE: CYBER LIABILITY & DATA BREACH COVERAGE
LIMIT FROM $50000 TO $50000

Removal Permit

If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change: after that, this insurance does not apply at the previous location.

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FARMERS INSURANCE

PRODUCER#: 04 07 50 27T
PETER MAMICH
1495 PNE GRV RD #201A
STEAMBOAT SPRI CO 80487

OSPREY RESERVE OWNERS
PO BOX 2590
DILLON CO 80435-2566

60663-38-37
10/08/26
00:59:56
A6066338370026
002
ABI94
AUTOMATIC-RENEWAL(BACKOUT/REISSUE)
** REPRINT REQUEST **
ATTACH SRN FCS-0453
CM057EP1
04

ADDIMANFLT

PRODUCER#: 04 07 50 27T
PETER MAMICH
1495 PNE GRV RD #201A
STEAMBOAT SPRI CO 80487

FARMERS®
INSURANCE

OSPREY RESERVE OWNERS
PO BOX 2590
DILLON CO 80435-2566

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AUTOMATIC-RENEWAL (BACKOUT/REISSUE)
** REPRINT REQUEST **
ATTACH SRN FCS-0453
CM057EP1
04

ADDIMANFLT

FARMERS INSURANCE

Dear Insured:

We know that your business needs can change throughout the year. You might get new equipment, hire more staff, open a new location, start online ordering or offer new services. These changes could mean you need to update your insurance coverage.

Farmers® and our agents are here to help you understand your insurance better. We offer free services to make sure your business has the right coverage.

How we can help:

Farmers Friendly Review®: Your agent can schedule a review with you. During this review, they can discuss:

- Available insurance discounts
- Potential gaps in your coverage
- New products that might be a good fit for you
- Changes to your business that might mean you could get a better price on your premium

MySafetyPoint.com: This website offers safety and loss control information to help you avoid workplace injuries and other losses.

To use this resource:

- Go to www.mysafetypoint.com
- Register with your policy number and email address
- Find safety information specific to your type of business

Please review the policy renewal documents enclosed to make sure your current coverage still meets your needs.

If you have any questions, please contact your Farmers agent.

Thank you for choosing us for your insurance.

FARMERS INSURANCE

Privacy Policy

This notice describes our privacy policies and procedures in safeguarding information about customers and former customers that obtain financial products or services for personal, family or household purposes. **Please note that if state law is more protective of an individual's privacy than federal privacy law, we will protect information in accordance with state law while also meeting federal requirements.**

Information We Collect

We may collect the following categories of information for the purposes identified below. Please note that the examples are not an exhaustive list and may fall into multiple categories. Categories and specific pieces of information collected may vary depending on the nature of your relationship with us.

Category	Examples
Personal Identifiers	Name, alias, address, social security number, date of birth, passport number, unique personal identifier, online identifier, IP address, e-mail address, account name, government issued identification number, phone number, signature.
Personal Characteristics	Gender, demographic, medical and health, convictions, marital status, offspring, driving record, family member/other status, and other descriptions of your physical characteristics.
Commercial Information	Personal property, insurance policy number, medical information, or health insurance information, purchased products or services, considered products or services, purchasing or consuming histories or tendencies.
Biometric Information	Voice print, photo.
Internet or Network Activity	Information regarding your interactions with websites, applications, and advertisements, browser type, electronic communications, IP address, cookies.
Geolocation	IP address, physical address, telephone number, state, municipality, location, devices, applications on mobile and computer devices.
Audio, Electronic, Visual, Thermal, Olfactory	Audio, electronic, photo, visual information, such as a call or video recording, voicemail messages.
Professional Information and Employment Information	Job titles, work history, school attended, employment status, veteran, or military status.
Education Information	Job titles, work history, school attended, marital status, e-mail, telephone recordings.
Inferences	Preferences, behaviors, characteristics, trends, predispositions, attitudes, abilities, and aptitudes.
Sensitive Personal Information	Social security number, driver s license number, state ID card, account login, precise geo-location, bank account number, credit or debit card number, or any other financial information, trade union membership, your communications with us.

Purposes For Collection Of Personal Information

We collect and use your personal information to offer, provide and maintain insurance products and related services to you. We may use your personal information for one or more of the following purposes:

- To offer, provide, and maintain insurance products and related services to you;
- To authenticate and verify your identity; to maintain your preferences and to contact you;
- Security: authentication and verification of your identity, fraud identification and protection;
- Conduct analytics, research and development, improvement of our products and services;
- To conduct quality assurance;
- To provide a location-based product or service requested by you;
- To apply relevant discounts;
- To create profiles based on personal information collected and reflecting individual preferences to provide appropriate or relevant products and services and improve and analyze our products and services and provide relevant marketing;

Sources Of Personal Information

We collect certain information ("nonpublic personal information") about you and the members of your household (collectively, "you") from the following sources:

- Information you provide on applications or other forms, such as your social security number, assets, income, and property information.
- Information about your transactions with us, our affiliates, or others, such as your policy coverage, premiums, and payment history.
- Information from your visits to the websites we operate, use of our mobile sites and applications, use of our social media sites, and interaction with our on-line advertisements.
- Information we receive from consumer reporting agencies or insurance support organizations, such as motor vehicle records, credit report information, and insurance claim history; and
- If you obtain a life, long-term care, or disability product, information we receive from you, medical professionals who have provided care to you and insurance support organizations, regarding your health.

How Long Do We Retain Your Information

We retain your personal data for as long as reasonably necessary to fulfill the purpose for which it was collected or to comply with legal, regulatory, or internal procedures or obligations.

How We Protect Your Information

Our customers are our most valued assets. Protecting your privacy is important to us. We restrict access to personal information to those individuals, such as our employees and agents, who provide you with our products and services. We require individuals with access to your information to protect it and keep it confidential. We maintain physical, electronic, and procedural safeguards that comply with applicable regulatory standards to guard your nonpublic personal information. We do not disclose any nonpublic personal information about you except as described in this notice or as otherwise required or permitted by applicable law.

Information We Disclose

We may disclose the nonpublic personal information we collect about you, as described above, to our affiliates, to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements, and to other third parties, as permitted by law and for our everyday business purposes, such as to process your transactions and maintain your accounts and insurance policies. Many employers, benefit plans or plan sponsors restrict the information that can be shared about their employees or members by companies that provide them with products or services. If you have a relationship with Farmers or one of its affiliates as a result of products or services provided through an employer, benefit plan or plan sponsor, we will follow the privacy restrictions of that organization.

We are permitted to disclose personal health information:

(1) to process your transaction with us, for instance, to determine eligibility for coverage, to process claims or to prevent fraud;

(2) with your written authorization; and

(3) as permitted by law.

When you are no longer our customer, we continue to share your information as described in this notice.

Sharing Information with Affiliates

The Farmers Insurance Group® of Companies includes affiliates that offer a variety of financial products and services in addition to insurance. Sharing information enables our affiliates to offer you a more complete range of products and services.

We may disclose nonpublic personal information, as described above in **Information We Collect**, as permitted by law to our affiliates, which include:

- Financial service providers such as insurance companies and reciprocals, investment companies, underwriters and brokers/dealers.
- Non-financial service providers, such as data processors, billing companies and vendors that provide marketing services for us.

We are permitted by law to share with our affiliates information about our transactions and experiences with you. In addition, we may share with our affiliates consumer report information, such as information from credit reports and certain application information, received from you and from third parties, such as consumer reporting agencies and insurance support organizations.

IMPORTANT PRIVACY CHOICES

You have choices about the sharing of some information with certain parties. These choices may differ based on the particular affiliate(s) with which you do business.

For 21st Century customers: We are offering you an opt-out opportunity which is included with your policy documents. If you prefer that we not share your consumer report information with Farmers you may opt-out of such disclosures that is, you may direct us not to make those disclosures - other than as otherwise permitted by law. You may do so by following the procedure explained in the Opt-Out Form. You may opt-out only by returning the Opt-Out Form. We will implement your request within a reasonable time. If it is your decision not to opt-out and to allow sharing of your information with the Farmers affiliates, you do not need respond in any way.

For Bristol West customers: If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may use the Opt-Out Form included with your policy documents. Please verify that your Bristol West policy number is listed. If not, please add the policy numbers on the form and mail to the return address printed on the form. We will implement your request within a reasonable time after we receive it. Any policyholder may opt-out on behalf of other joint policyholders. An opt-out by any joint policyholder will be deemed to be an opt-out by all policyholders of the policy. If it is your decision not to opt-out and to allow sharing of your information with our affiliates, you do not need to request an opt-out or respond to us in any way.

For Farmers customers: If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may request an Opt-Out Form by calling toll free, 1-800-327-6377, (please have all of your policy numbers available when requesting Opt-Out Forms). A form will be mailed to your attention. Please verify that all of your Farmers policy numbers are listed. If not, please add the policy numbers on the form and mail to the return address printed on the form. Any policyholder may opt-out on behalf of other joint policyholders. An opt-out by any joint policyholder will be deemed to be an opt-out by all policyholders of the policy issued by the affiliates listed on the Farmers Privacy Notice. We will implement your request within a reasonable time after we receive the form.

If you decide not to opt-out or if you have previously submitted a request to opt-out on each of your policies, no further action is required.

Additionally, under the California Consumer Privacy Act ("CCPA", California residents have the right to opt out of the sale of personal information to certain third parties. Although we do not currently share personal information in a manner that would be considered a sale under CCPA, you may still submit a request to opt out by calling us at 1-855-327-6548 or submitting a request through our CCPA Web Form at https://www.farmers.com/california-consumer-privacy/ .

Modifications to Our Privacy Policy

We reserve the right to change our privacy practices in the future, which may include sharing nonpublic personal information about you with other nonaffiliated third parties. Before we make any changes, we will provide you with a revised privacy notice and give you the opportunity to opt-out of, or, if applicable, to opt-in to that type of information sharing.

Website and Mobile Privacy Policy

Our Enterprise Privacy Statement includes our website and mobile privacy policies which provides additional information about website and mobile application use. Please review those notices if you transmit personal information to us over the Internet through our websites and/or mobile applications.

Recipients of this Notice

While any policyholder may request a copy of this notice, we are providing this notice to the named policyholder residing at the mailing address to which we send your policy information. If there is more than one policyholder on a policy, only the named policyholder will receive this notice. You may receive more than one copy of this notice if you have more than one policy with us. You also may receive notices from affiliates, other than those listed below.

More Information about these Laws

This notice is required by applicable federal and state law. For more information, please contact us.

Signed

Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Farmers Insurance Company, Inc. (A Kansas Corp.), Farmers Insurance Company of Arizona, Farmers Insurance Company of Idaho, Farmers Insurance Company of Oregon, Farmers Insurance Company of Washington, Farmers Insurance of Columbus, Inc., Farmers Insurance Hawaii, Inc., Farmers New Century Insurance Company, Farmers Services Insurance Agency, Farmers Specialty Insurance Company, Farmers Texas County Mutual Insurance Company, Farmers Financial Solutions, LLC (a member of FINRA and SIPC)*, FFS Holding, LLC, Illinois Farmers Insurance Company, Mid-Century Insurance Company of Texas, Texas Farmers Insurance Company, Civic Property and Casualty Company, Exact Property and Casualty Company, and Neighborhood Spirit Property and Casualty Company, American Federation Insurance Company, 21st Century Advantage Company, 21st Century Assurance Company, 21st Century Auto Insurance Company of New Jersey, 21st Century Casualty Company, 21st Century Centennial Insurance Company, 21st Century Indemnity Insurance Company, 21st Century Insurance & Financial Services, Inc., 21st Century Insurance Company, 21st Century Insurance Company of Southwest, 21st Century North America Insurance Company, 21st Century Pacific Insurance Company, 21st Century Premier Insurance Company, 21st Century Superior Insurance Company, Hawaii Insurance Consultants Ltd., American Pacific Insurance Company, Inc., Bristol West Casualty Insurance Company, Bristol West Holdings, Inc., Bristol West Insurance Company, Bristol West Insurance Services of California, Inc., Bristol West Insurance Services, Inc. of Florida, Bristol West Preferred Insurance Company, BWIS of Nevada, Inc., Coast National Holding Company, Coast National Insurance Company, Foremost County Mutual Insurance Company, Foremost Insurance Company Grand Rapids, Michigan, Foremost Lloyds of Texas, Foremost Property and Casualty Insurance Company, Foremost Signature Insurance Company, and Security National Insurance Company (Bristol West Specialty Insurance Company in TX), Farmers Property and Casualty Insurance Company, Farmers Casualty Insurance Company, Farmers Group Property and Casualty Insurance Company, Economy Fire & Casualty Company, Economy Preferred Insurance Company, Farmers Lloyds Insurance Company of Texas, Economy Premier Assurance Company, Farmers Direct Property & Casualty Insurance Company, Toggle Insurance Company.

The above is a list of the affiliates on whose behalf this privacy notice is being provided. It is not a comprehensive list of all affiliates of the companies comprising the Farmers Insurance Group of Companies.

*For more background information on Farmers Financial Solutions, LLC ("FS" or its registered representatives / Agents, visit FINRA s BrokerCheck at www.finrabrokercheck.com or call the BrokerCheck toll free hotline at (800) 289-9999. You may obtain information about the Securities Investor Protection Program (SIPC) including the SIPC brochure by contacting SIPC at (202) 371-8300 or via the internet at www.sipc.org. FFS is registered with the US Securities and Exchange Commission and the Municipal Securities Rulemaking Board (MSRB). The MSRB website is accessible at www.msrb.org and includes an Investor Brochure that describes the protections that may be provided by the MSRB and how to file a complaint with the appropriate regulatory authority.

FARMERS INSURANCE

Important Information About Your Cyber Liability And Data Breach Response Coverage

We want to let you know about a change to your cyber coverage. Your old "cyber liability and data breach expense coverage" is now **Cyber Liability And Data Breach Response Coverage** . This new coverage includes everything your old coverage did, plus five new benefits. The price for this coverage has not changed. You can also get higher coverage limits. If you think more protection would help your business, please contact your Farmers® agent.

Please read the information below to learn more about your new coverage and its benefits.

What is Cyber Liability and Data Breach Response Coverage?

This coverage helps protect your business in case of a cyber incident. It includes:

Third-party coverage:

- Information Security and Privacy Liability (included in your old coverage)
- Regulatory Defense and Penalties (included in your old coverage)
- Website Media Content Liability
- Payment Card Industry (PCI) Fines, Expenses and Costs

First-party coverage:

- Privacy Breach Response Services (included in your old coverage)
- Cyber Extortion
- First-Party Data Protection
- First-Party Network Business Interruption

Here's a closer look at what each coverage provides:

Information Security and Privacy Liability, which helps cover legal costs if you are responsible for:

- Theft, loss or unauthorized sharing of customer or company information.
- Security breaches due to computer security failures.
- Damage to data stored on your systems.
- Sending malicious code.
- Participation in a denial-of-service attack.
- Not following breach notification laws.
- Not following your privacy policy
- Not managing identity theft or information disposal programs correctly.

Privacy Breach Response Services

If a data breach happens, this coverage provides:

- Expert help to find out what happened and what steps to take.
- Help notifying customers that the law requires you to notify.
- Help notifying people who may be affected by a breach, even if you are not legally required to do so.
- Call center services.
- Help to fix and reduce the impact of the breach.

Regulatory Defense and Penalties: This helps cover costs and penalties from regulatory actions due to a covered incident.

Website Media Content Liability:

This helps cover costs if you are sued for things like:

- Using someone's name or image without permission.
- Stealing ideas or content.
- Copyright or trademark issues.

Payment Card Industry (PCI) Fines, Expenses and Costs: This helps cover fines and costs from the PCI if you don't follow their security rules for credit card information.

Cyber Extortion: This helps cover losses from cyber extortion.

First-Party Data Protection: This helps cover costs to restore your data if it is damaged or lost.

First-Party Network Business Interruption: This helps cover lost income if your computer systems are down due to a security breach.

What other benefits are included?

Your policy also includes free data security risk management services. These services provide:

- Expert online help for data security questions.
- Information about compliance and breach response.
- Email alerts about legal and regulatory changes.
- Online training for privacy compliance and IT staff.

How to access these services:

- Go to Farmers.Breachsolutions.com.
- Click the "Click here to register" link.
- Use this temporary activation code: Q1gYx6?
- Enter the requested information and your Farmers business insurance policy number.

Please allow eight business days for your access to be set up.

What does claims-made mean?

Some of this coverage is claims-made. This means that for coverage to apply, the claim must be reported to Farmers during your policy period. The event that caused the claim must have happened after your policy's retroactive date.

Is there an extended reporting period?

Yes, there is a 14-day reporting period after your policy ends. You can also buy an optional extended reporting period to protect against claims made after your policy ends.

Why is this coverage important?

Data breaches are a real threat to all businesses. When a breach happens, you need to be ready to respond quickly to protect your business. This new coverage helps make sure you are prepared if a covered claim occurs.

This notice is a summary of your cyber liability and data breach response coverage. Please review your full policy for all terms and conditions.

Thank you for choosing us for your insurance.

FARMERS INSURANCE

Important Policyholder Notice
About Your Preferred Community Association Management Coverage

Dear Policyholder,

This letter is about the **Preferred Community Association Management Coverage Form – J7495** included in your condo/townhome or PUD/homeowners association policy. This form provides important protections for your association, including:

- Directors and officers liability coverage
- Crisis response coverage
- Third-party discrimination and employment practices liability coverage

What is crisis response coverage?

This coverage provides your association with up to $50,000 to help with expenses after a covered crisis. This can include costs for:

- First aid and emergency care
- Ambulance services
- Hospital and nursing care
- Professional counseling
- Funeral expenses
- Temporary security measures

What is third-party discrimination and employment practices liability coverage?

Third-party discrimination coverage protects your association against claims of discrimination made by people who are not employees. This could include unit owners or their tenants. It covers claims related to discrimination based on:

- Race
- Color
- Religion
- Age
- Sex
- Disability
- Pregnancy
- Sexual orientation
- National origin
- Any other basis prohibited by law

Employment practices liability coverage protects your association against claims made by employees, former employees or job applicants. This includes claims of:

- Discrimination
- Harassment
- Inappropriate employment conduct

Thank you for choosing us for your insurance.

FARMERS INSURANCE

Mid-Century Insurance Company (A Stock Company)
Member Of The Farmers Insurance Group Of Companies®
Home Office: 6301 Owensmouth Ave., Woodland Hills, CA 91367

COMMON POLICY DECLARATIONS

Named Insured OSPREY RESERVE OWNERS
*SEE J7104 AMEND TO NAMED INS

Mailing Address PO BOX 2590
DILLON, CO 80435-2566

F007428565-001-00001	
Account No.	Prod. Count
07-50-27T	60663-38-37
Agent No.	Policy Number

Form of Business ☐ Individual ☐ Joint Venture ☐ Limited Liability Co. ☐ Corporation ☐ Partnership ☒ Other Organization

Business Description: Condominium

Policy Period From 11-01-2026 (not prior to time applied for)
To 11-01-2027 12:01 A.M. Standard time at your mailing address shown above.

If this policy replaces other coverage that ends at noon standard time of the same day this policy begins, this policy will not take effect until the other coverage ends. **This policy will continue for successive policy periods as follows:** If we elect to continue this insurance, we will renew this policy if you pay the required renewal premium for each successive policy period subject to our premiums, rules and forms then in effect.

This policy consists of the following coverage parts listed below and for which a premium is indicated. This premium may be subject to change.

Coverage Parts	Premium After Discount And Modification
Condominiums Owners Policy	$39,073.00
Preferred Community Association Management	$463.00
Cyber Liability And Data Breach Expense Coverage	$37.00
Certified Acts Of Terrorism - See Disclosure Endorsement	Included
Total (See Additional Fee Information Below)	$39,573.00

Forms Applicable To	25-9230ED5	PH Reminder - Review Your Coverage
All Coverage Parts:	J7104-ED1	Amendment To Named Insured

Your Agent

Peter Mamich
1495 Pne Grv Rd #201a
Steamboat Spri, CO 80487
(970) 879-1330

Countersigned (Date)

By Authorized Representative

Additional Fee Information

The following additional fees apply on an account, not a per-policy, basis.

- A **service fee** will be assessed on every installment invoice and will be included in the minimum amount due. However, if you choose to pay the entire account balance in full upon receipt of the first installment, the fee will be waived. In addition, for accounts fully enrolled in online billing and scheduled for recurring Electronic Funds Transfer (EFT) payments the fee will be waived.

State	Installment Fee
All states except Alaska, Florida, Maryland, New Jersey And West Virginia	$6.00
Alaska and Maryland	Not applicable
Florida	$3.00
New Jersey	$7.00
West Virginia	$5.00

- A **returned payment fee** applies per check, electronic transaction or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account. ***NOTE: If the returned payment is in response to a Notice of Cancellation, coverage still cancels on the cancellation effective date set forth in the notice.***

State	NSF Fee
All States Except Alaska, Florida, Indiana, Maine, Nebraska, New Jersey, North Dakota, Oklahoma, Virginia And West Virginia	$30.00
North Dakota And Oklahoma	$25.00
Nebraska And Indiana	$20.00
Florida And West Virginia	$15.00
Maine	$10.00
Alaska, New Jersey And Virginia	Not applicable

- A **late fee** will be assessed on each Notice of Cancellation that is issued and will be included in the minimum amount due.

State	Late Fee
All States Except Alaska, Florida, Maryland, Missouri, Nebraska, New Jersey, Rhode Island, Virginia, South Carolina And West Virginia	$20.00
Nebraska, Rhode Island And South Carolina	$10.00
Alaska, Florida, Maryland, Missouri, New Jersey, Virginia And West Virginia	Not applicable

The following applies on a per-policy basis.

- A **reinstatement fee** of $25.00 will be assessed if the policy is reinstated over 30 days but under 6 months from the cancellation date. *This fee does not apply to Florida, Indiana & Maryland or to Workers Compensation policies.*

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

POLICY NUMBER: 60663-38-37

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J7104
1st Edition

AMENDMENT OF NAMED INSURED

SCHEDULE

The following is/are the Named Insured(s) on this policy:
OSPREY RESERVE OWNERS ASSOCIATION

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy

FARMERS INSURANCE

Important Notice About Your Insurance

Dear Insured,

We want to make sure you re aware that this insurance policy does not include workers compensation coverage. This means it will not pay for medical bills or lost wages if your employees get hurt on the job.

Your state may have laws that require you to have this type of coverage. Please make sure you follow the laws in your state.

For questions, please contact your Farmers® agent, or call us at (855)323-5350.

Thanks for choosing Farmers. We re grateful for the opportunity to serve you.

Farmers Insurance Group of Companies®

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

E2038
3rd Edition

CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM OWNERS LIABILITY COVERAGE FORM
DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **B.2.**) applies to property located in the following state(s):	
California Illinois Iowa Missouri North Carolina	Oregon Virginia Washington Wisconsin
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverage is amended as follows:

1. Applicability Of The Provisions Of This Endorsement

a. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

(1) The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or

(2) A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(a) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(b) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(c) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

b. If the provisions of this endorsement become applicable, such provisions:

(1) Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and

(2) Remain applicable unless we notify you of changes in these provisions, in response to federal law.

c. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

2. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

"Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

(1) Use or threat of force or violence; or

(2) Commission or threat of a dangerous act; or

(3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

(1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

(2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

B. The applicable **Property Coverage Form** is amended as follows:

1. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or

c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or

e. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds $25,000,000. In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item **1.e.,** the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

2. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

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 coverages or endorsements that apply to those coverages.

3. Application Of Other Exclusions

When the Exclusion Of Terrorism applies in accordance with the terms of Paragraph **1.a.** or **1.b.,** such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.

C. The applicable **Liability Coverage Form** and the **Directors and Officers Liability Coverage Form** is amended as follows:

1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage, is enclosed in quotation marks:

"Any injury or damage" means any injury or damage covered under this Coverage Form or any applicable endorsement, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury", as may be defined under this Coverage Form or any applicable endorsement.

2. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or

c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or

e. The total of insured damage to all types of property exceeds $25,000,000. In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

f. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:

(1) Physical injury that involves a substantial risk of death; or

(2) Protracted and obvious physical disfigurement; or

(3) Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph **2.e.** or **2.f.** are exceeded.

With respect to this Exclusion, Paragraphs **2.e.** and **2.f.** describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

D. The following provision is added to the applicable Coverage Form:

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

FARMERS INSURANCE

J6300
3rd Edition

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE - PART I

Terrorism Premium (Certified Acts) $ 392.00

Additional information, if any, concerning the terrorism premium:

SCHEDULE - PART II

Federal share of terrorism losses 80 **% Year: 20**26
(Refer to Paragraph **B.** in this endorsement)

Federal share of terrorism losses 80 **% Year: 20**27
(Refer to Paragraph **B.** in this endorsement)

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

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part **II** of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J7110
2nd Edition

EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL MATERIAL OR INFORMATION AND DATA-RELATED LIABILITY

This endorsement modifies insurance provided under the:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

Paragraph **1. Applicable To Business Liability Coverage** under **B. Exclusions** in the applicable Liability Coverage Form and **Section II - Liability** of the BUSINESSOWNERS COVERAGE FORM is amended as follows:

A. The following exclusion is added:

Access Or Disclosure Of Confidential Or Personal Material Or Information And Data-Related Liability

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

1. Any access to or disclosure of any person's or organization's confidential or personal material or information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, biometric information or any other type of nonpublic material or information; or

2. The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **1.** or **2.** above.

As used in this exclusion, electronic data means information, facts, recordings, images or computer programs stored as or on, created or used on, or transmitted to or from computer software, (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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FARMERS INSURANCE

Mid-Century Insurance Company (A Stock Company)
Member Of The Farmers Insurance Group Of Companies®

Home Office: 6301 Owensmouth Ave., Woodland Hills, CA 91367

POLICY DECLARATIONS - CONDO/TOWNHOME PREMIER POLICY

Named Insured OSPREY RESERVE OWNERS
*SEE J7104 AMEND TO NAMED INS

Mailing Address PO BOX 2590
DILLON, CO 80435-2566

Policy Number 60663-38-37 ☐ **Auditable**

Policy Period From 11-01-2026
To 11-01-2027 12:01 A.M. Standard time at your mailing address shown above.

In return for the payment of premium and subject to all the terms of this policy, we agree with you to provide insurance as stated in this policy. We provide insurance only for those Coverages described and for which a specific limit of insurance is shown.

The following premium credits and discounts applied to the premium associated with this coverage part:

Favorable Loss Experience Discount

There may be other credits and discounts you may be able to enjoy, please contact your agent for full details.

Your Agent

Peter Mamich
1495 Pne Grv Rd #201a
Steamboat Spri, CO 80487
(970) 879-1330

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS

The following coverages apply to the described locations and/or building. Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level.

Option: BV - Blanket Value (see Base Coverage & Extensions for the total limit)
Valuation: ACV - Actual Cash Value; AV - Agreed Value; RC - Replacement Cost; ERC - Extended RC; FRC- Functional RC; GRC - Guaranteed RC
Abbreviation: ALS = Actual Loss Sustained; BI = Business Income; EE = Extra Expense

Premises Number	Bldg. No.	Covered Premises Address	Mortgagee Name And Address
001	All	2902 Osprey Ln Silverthorne, CO 80498	

Coverage	Option	Valuation	Limit Of Insurance	Deductible/ Waiting Period
Building		AV	$21,260,200	$25,000
Business Personal Property (BPP)		RC	$19,100	$25,000
Accounts Receivables - On-Premises			$5,000	$25,000
Building - Automatic Increase Amount			8%	
Building Ordinance Or Law - 1 (Undamaged Part)			Included	None
Building Ordinance Or Law - 2 (Demolition Cost)			$313,800	None
Building Ordinance Or Law - 3 (Increased Cost)			$1,062,900	None
Building Ordinance Or Law - Increased Period of Restoration			Included	None
Cosmetic Damage Exclusion				
Debris Removal			25% Of Loss + 10,000	
Electronic Data Processing Equipment			$10,000	$25,000
Equipment Breakdown			Included	$25,000
Equipment Breakdown - Ammonia Contamination			$25,000	
Equipment Breakdown - Drying Out Coverage			Included	
Equipment Breakdown - Expediting Expenses			Included	
Equipment Breakdown - Hazardous Substances			$25,000	
Equipment Breakdown - Water Damage			$25,000	
Exterior Building Glass			Included	$25,000
Outdoor Property			$50,000	$25,000
Outdoor Property - Trees, Shrubs & Plants (Per Item)			$25,000	$25,000
Personal Effects			$2,500	$25,000
Specified Property			$436,000	$25,000
Valuable Paper And Records - On-Premises			$5,000	$25,000
Windstorm Or Hail Percentage/Fixed Dollar Deductible				2% Of Limit
Applies separately to:				
a. Each building that sustains loss or damage;				
b. Business Personal Property at each building that				

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS

The following coverages apply to the described locations and/or building. Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level.

Option: BV - Blanket Value (see Base Coverage & Extensions for the total limit)
Valuation: ACV - Actual Cash Value; AV - Agreed Value; RC - Replacement Cost; ERC - Extended RC; FRC- Functional RC; GRC - Guaranteed RC
Abbreviation: ALS = Actual Loss Sustained; BI = Business Income; EE = Extra Expense

Premises Number	Bldg. No.	Covered Premises Address	Mortgagee Name And Address
001	All	2902 Osprey Ln Silverthorne, CO 80498	

Coverage	Option	Valuation	Limit Of Insurance	Deductible/ Waiting Period
sustains loss or damage; and c. Business Personal Property in the open.				

PROPERTY, INLAND MARINE AND CRIME COVERAGE AND LIMITS OF INSURANCE

The following Coverages and Extensions apply to all covered locations (premises) and/or buildings. Please refer to the individual location (premises) section for coverages and limits specific to such location (premises).

Base Coverage And Extensions	Limit of Insurance	Deductible / Waiting Period
Accounts Receivables - Off-Premises	$2,500	$25,000
Association Fees And Extra Expense	$100,000	
Back Up Of Sewers Or Drains	$250,000	$25,000
Crime Conviction Reward	$5,000	None
Drone Aircraft - Direct Damage (per occurrence)	$10,000	$25,000
Drone Aircraft - Direct Damage (per item)	$2,500	$25,000
Employee Dishonesty	$10,000	$500
Fire Department Service Charge	$25,000	None
Fire Extinguisher Systems Recharge Expense	$5,000	None
Forgery And Alteration	$2,500	$25,000
Limited Biohazardous Substance Coverage - Per Occurrence	$10,000	$25,000
Limited Biohazardous Substance Coverage - Aggregate	$20,000	$25,000
Limited Cov. - Fungi Wet Rot Dry Rot & Bacteria - Aggregate	$15,000	$25,000
Master Key	$10,000	None
Master Key - Per Lock	$100	None
Money And Securities - Inside Premises	$10,000	$500
Money And Securities - Outside Premises	$10,000	$500
Money Orders And Counterfeit Paper Currency	$1,000	$25,000
Newly Acquired Or Constructed Property	$250,000	$25,000
Outdoor Signs	$50,000	$500
Outdoor Signs - Per Sign	$25,000	$500
Personal Property At Newly Acquired Premises	$100,000	$25,000
Personal Property Off Premises	$5,000	$25,000
Preferred Community Association Management - Crisis Response	$50,000	None
Premises Boundary	100 Feet	
Preservation Of Property	30 Days	
Unit Owners - Included With Building	Included	$25,000
Valuable Paper And Records - Off-Premises	$2,500	$25,000

LIABILITY AND MEDICAL EXPENSES
COVERAGE AND LIMITS OF INSURANCE

Each paid claim for the following coverage reduces the amount of insurance we provide during the applicable policy period. Please refer to the policy.

Premium Basis: (A) Area; (C) Total Cost; (P) Payroll; (S) Sales/ Receipts; (U) Each Unit
(M) Public Area Square Feet
(O) Other:

Covered Premises And Operations

Address	Classification / Exposure	Class Code	Prem. Basis	Annual Exposure	Rate	Advance Premium
2902 Osprey Ln Silverthorne, CO 80498	Condominiums / Townhomes	8641	Incl	Included	Included	Included

LIABILITY AND MEDICAL EXPENSES COVERAGE AND LIMITS OF INSURANCE CONTINUED

Coverage	Amount / Date
General Aggregate (Other Than Products & Completed Operations)	$2,000,000
Products And Completed Operations Aggregate	$1,000,000
Personal And Advertising Injury	Included
Each Occurrence	$1,000,000
Tenants Liability (Each Occurrence)	$75,000
Medical Expense (Each Person)	$5,000
Pollution Exclusion - Hostile Fire Exception	Included
Preferred Community Association Management - Per Claim	$1,000,000
Preferred Community Association Management - Aggregate	$1,000,000
Directors and Officers Errors and Omissions Liability - Per Claim/Aggregate	Included
Third Party Discrimination and Employment Practices Liability - Per Claim/Aggregate	Included
Preferred Community Association Management - Self Insured Retention	$1,000
Preferred Community Association Management - Retroactive Date	11/01/2021
Preferred Community Association Management - Prior Knowledge Date	11/01/2017
Hired Auto Liability	$1,000,000
Non-Owned Auto Liability	$1,000,000

Policy Number: 60663-38-37 **Effective Date:** 11-01-2026

Policy Forms And Endorsements Attached At Inception

Number	Title
25-2110ED2	Notice - No Workers' Compensation Covg
25-6716ED1	Reciprocal Provisions
25-9200ED3	Farmers Privacy Notice
25-9565ED2	Pref Community Assoc Mgmt Covg Phn
56-6191	Cyber Liability & Data Breach Dec
E0104-ED1	Business Liab Covg - Tenants Liability
E0119-ED5	Back Up Of Sewers And Overflow Of Drains
E0125-ED1	Lead Poisoning And Contamination Excl
E0147-ED1	War Liability Exclusion
E0224-ED4	Wind/Hail Percentage Ded
E2038-ED3	Conditional Exclusion Of Terrorism
E3015-ED2	Calculation Of Premium
E3024-ED3	Condominium Common Policy Conditions
E3037-ED1	No Covg-Certain Computer Related Losses
E3314-ED3	Condominium Liability Coverage Form
E3336-ED2	Hired Auto And Non-Owned Auto Liability
E3418-ED2	Condo Assoc Unit Covg End
E3422-ED3	Condominium Property Coverage Form
E4009-ED4	Mold And Microorganism Exclusion
E6288-ED3	Exclusion - Conversion Projects
J6300-ED3	Disclosure - Terrorism Risk Ins Act
J6316-ED2	Excl Of Loss Due To Virus Or Bacteria
J6350-ED1	Employee Dishonesty - Property Manager
J6351-ED2	Limited Terrorism Exclusion
J6353-ED1	Change To Limits Of Insurance
J6612-ED2	Equipment Breakdown Coverage Endorsement
J6739-ED1	Two Or More Coverage Forms
J6829-ED1	Limited Coverage For Fungi And Bacteria
J6832-ED1	Agreed Amount Endorsement
J6833-ED2	Condominium Premier Package End
J6849-ED2	Deductible Provisions
J7110-ED2	Exclusion Confidential Info
J7114-ED1	Removal Of Asbestos Exclusion
J7122-ED2	Loss Payment - Profit, Overhead & Fees
J7131-ED1	Dishonesty Excl-Tenant Vandal Excp
J7133-ED1	Limited Biohazardous Substance Cov
J7136-ED1	Pollution Exclusion - Expanded Exception
J7139-ED1	Bus Inc & Extra Exp - Partial Slowdown
J7144-ED1	Amendment Of Pers & Advertising Inj Covg
J7158-ED1	Damage To Property Exclusion Revised
J7183-ED1	Limitation - Designated Premises/Project

Policy Number: 60663-38-37 **Effective Date:** 11-01-2026

Policy Forms And Endorsements Attached At Inception

Number	Title
J7222-ED1	Marijuana Exclusion
J7228-ED1	Drone Aircraft Coverage
J7230-ED1	Supplementary Payments
J7493-ED1	Windstorm & Hail Loss Cond Endorsement
J7495-ED1	Pref Community Association Mgmt Coverage
J7504-ED1	Cosmetic Damage Exclusion
J7507-ED1	Cyber Incident Exclusion
J7541-ED1	Broad Abuse Or Molestation Exclusion
J7544-ED1	Cyber Incident Liability Exclusion
J7545-ED1	Exclusion - Violation Of Laws
J7546-ED1	Exclusion PFAS
S0741-ED4	CO Chgs-Canc & Nonrenewal
S0763-ED1	Colorado Changes

FARMERS INSURANCE

J7495
1st Edition

PREFERRED COMMUNITY ASSOCIATION MANAGEMENT COVERAGE FORM

THIS COVERAGE FORM INCLUDES CLAIMS MADE AND REPORTED COVERAGES. THIS COVERAGE FORM'S CLAIMS MADE COVERAGES APPLY ONLY TO ANY CLAIM FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD, BUT IN NO EVENT MORE THAN 60 DAYS AFTER THE END OF THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE. DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY FOR THESE COVERAGES AND ARE SUBJECT TO THE RETENTIONS.

READ THE ENTIRE FORM CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE.

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

Throughout this coverage form, 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. The word insured means any person or organization qualifying as such under **I.C. WHO IS AN INSURED** or any organization qualifying as such under **II.C. WHO IS AN INSURED.** Other words and phrases that appear in quotation marks have special meaning. Refer to **I.I.** or **II.F. DEFINITIONS**.

SECTION I - CLAIMS MADE AND REPORTED LIABILITY COVERAGES

A. COVERAGE

1. Directors And Officers Errors And Omissions Liability

We will pay "loss" which an insured shall be legally obligated to pay as a result of any "claim" first made against the Insured during the "policy period", or Extended Reporting Period, if applicable, for a "wrongful act" taking place on or after the retroactive date and prior to the end of the "policy period". Such "claim" must be reported to us in accordance with **B. Notice of Claim**. However, this coverage only applies if no "designated insured" had prior knowledge of the facts or circumstances of any "wrongful act" on or prior to the Prior Knowledge Date shown in the Declarations.

A "claim" will be deemed to have been first made when notice of such "claim" is received by any "designated insured" or by us, whichever comes first.

All "claims" arising out of "interrelated wrongful acts" will be deemed to be one "claim" and will be deemed to have been made at the time the first of those "claims" is made.

2. Third Party Discrimination And Employment Practices Liability

If a Limit of Liability is shown in the Declarations for Third Party Discrimination and Employment Practices Liability, we will pay "loss" which an insured shall be legally obligated to pay as a result of a "claim" first made during the "policy period" or an applicable Extended Reporting Period, for an "employment wrongful act" taking place on or after the retroactive date and prior to the end of the "policy period". Such "claim" must be reported to us in accordance with **B. Notice of Claim.** However, this coverage only applies if no "designated insured" had prior knowledge of the facts or circumstances of any "employment wrongful act" on or prior to the Prior Knowledge Date shown in the Declarations.

A "claim" will be deemed to have been made when notice of such "claim" is received by any "designated insured".

All "claims" arising out of "interrelated wrongful acts" will be deemed to be one "claim" and will be deemed to have been made at the time of the first of those "claims".

3. Defense And Settlement

We have the right and duty to defend the insured, through counsel of our choice, against any "suit" to which this insurance applies. We have the right to investigate any report of a "wrongful act", and may, at our discretion, settle any "claim" for a "wrongful act" to which this insurance applies. Our obligation to defend any "suit" ends once we have paid our applicable Limit of Liability. No other obligation to pay sums or perform acts or services is covered unless explicitly provided for under **4. Supplementary Payments**. No insured will, except at that insured's own cost, voluntarily make any payment, assume any obligation, or incur any expense, without our written consent.

4. Supplementary Payments

The following Supplementary Payments apply to Directors and Officers Errors and Omissions Liability and Third Party Discrimination and Employment Practices Liability.

We will pay, with respect to any covered "claim" we investigate, defend or settle:

a. All expenses we incur in the investigation or handling of a covered "claim".

b. The premium on bonds to appeal a judgment or award in any "suit" we defend or the premium on bonds to release attachments, but only for bond amounts within the applicable Each Claim Limit of Liability shown in the Declarations. We do not have to furnish these bonds. We do not have to provide security or collateral for these bonds.

c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to $250 a day because of time off from work.

d. All costs taxed against the insured in a "suit", excluding prevailing party attorney fees. Supplementary Payments do not include prevailing party attorney fees.

e. Prejudgment and post judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment or post judgment interest based on that period of time after the offer.

These payments will not reduce the applicable limit of liability.

B. NOTICE OF CLAIM

You must give us written notice of a "claim" as soon as practicable after any "designated insured" becomes aware of such "claim". You must provide such notice to us:

1. During the "policy period" in which the "designated insured" first became aware of the "claim", but in no event more than 60 days after the end of that "policy period"; or

2. During the Extended Reporting Period, if applicable, but in no event more than 60 days after the end of the Extended Reporting Period.

C. WHO IS AN INSURED

The term insured when used in **Section I** includes:

1. The Named Insured listed in the Declarations and its "subsidiaries". You must notify us within 90 days after you acquire or create a new "subsidiary".

a. Coverage for a newly acquired or created "subsidiary" is afforded only until the 90th day after you acquire or form the organization or the end of the "policy period", whichever is earlier;

b. Coverage under this Coverage Form for any "subsidiary" and its insureds does not apply to any "wrongful act" or "employment practices wrongful act" that occurred before you acquired or formed the "subsidiary" or after the organization ceased being your "subsidiary".

2. Any person who has been, now is, or shall become:

a. A duly elected director or trustee of the insured community association, but only in their capacity as such;

b. A duly elected or appointed officer of the insured community association, but only in their capacity as such;

c. A committee member of the insured community association, but only in their capacity as such;

d. A member of the insured community association, but only while acting at the direction of the association's Board of Directors or Trustees on behalf of the association in a voluntary capacity; and

e. An employee of the insured community association, but only in their capacity as such.

3. The estate or legal representatives of any insured in **2.** above, who is deceased or the legal representatives, receivers or assigns of any insured in **2.** above, who is insolvent, incompetent or bankrupt, but only to the extent the insured in **2.** above, would have been covered under this Coverage Form in the absence of such death, insolvency, incompetency or bankruptcy.

4. The spouse or domestic partner of any insured in **2.** above, but only to the extent the claimant seeks recovery from the spouse or domestic partner, or of property owned by the spouse or domestic partner, for a "wrongful act" or an "employment wrongful act" of an insured in **2.** above.

5. A "property manager" for the insured community association while performing property management duties for the insured community association, but only with respect to liability for "wrongful acts" committed at the express direction of the insured community association. However, your "property manager" is not an insured for "claims" or "suits" brought against them by you.

D. EXCLUSIONS

1. This insurance does not apply to "claims":

a. Relating to or arising from the insured gaining in fact profit or financial advantage to which such insured was not legally entitled.

b. Based upon, arising out of, related to, resulting from, in connection with any actual or alleged failure to maintain any property owned by the insured community association, or by any "subsidiary" of the insured community association, or owned collectively by the members of the insured community association or such "subsidiary".

c. Based upon, arising out of, related to, resulting from, in connection with any actual or alleged theft, loss, or unauthorized disclosure of personally identifiable information that is in the care, custody or control of the insured or a third party for whom the insured is legally liable.

d. For benefits or amounts, including salaries, commissions, compensation, bonuses, profit sharing, health insurance, retirement benefits and severance payments, due or owed to an employee under a contract of employment, or due or owed to a director, trustee or officer.

e. For any "wrongful act" that occurred after the "policy period".

f. Based upon, arising out of, related to, resulting from, in connection with any actual or alleged "bodily injury", "property damage", or "personal and advertising injury".

2. Directors and Officers Errors and Omissions Liability Exclusions

This insurance does not apply to "claims" based upon, arising out of, related to, resulting from, in connection with any actual or alleged:

a. Fraud, collusion, dishonesty, criminal or malicious acts committed by or at the direction of an insured, if a final adjudication establishes such fraud, collusion, dishonesty, criminal or malicious acts, and then only as to such insured. The fraud, collusion, dishonesty, criminal or malicious "wrongful acts" of an insured shall not be imputed to any other insured for the purposes of this exclusion.

b. Violation of civil rights, whether based on federal, state, local or common law, including, but not limited to discrimination on account of race, religion, sex, age, familial status or disability including failure to accommodate or provide access.

c. Profits or losses, including an accounting of these profits or losses, resulting from the purchase or sale of any securities.

d. Pollution, including any:

(1) Request, demand or order that you or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of pollutants; or

(2) Actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of pollutants into or on real or personal property, water or the atmosphere.

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

e. Defect, including any "construction defect", in property owned by, rented to, in the charge of or occupied by the insured community association or its unit owners.

f. Violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974, as amended, or similar provisions of federal, state or local statutory or common law.

g. "Third party discrimination" or "employment practices wrongful act".

h. "Wrongful act" for which a "claim" is brought or maintained by or on behalf of the insured community association with the solicitation, assistance, participation or intervention of any current or former director, officer or trustee of the insured community association.

i. Breach of any oral or written contract or agreement, or for liability assumed by the insured under any such contract or agreement, except for liability of the insured that would have existed in the absence of such contract or agreement. However, this exclusion shall not apply to the insurer's duty to defend and to pay defense costs.

j. Fact, circumstance or situation which has been the subject of any notice given under any directors and officers liability policy or coverage.

k. Liability of any insured in their capacity as a builder, developer, sponsor, general contractor, sub-contractor, architect, engineer, design professional, or affiliate of such.

l. "Wrongful act" that first occurred prior to the retroactive date shown in the Declarations for Directors and Officers Errors and Omissions Liability. For the purposes of this exclusion, "interrelated wrongful acts" are excluded if the first such "interrelated wrongful act" took place, or is alleged to have taken place, prior to the retroactive date.

m. "Wrongful act" or "interrelated wrongful act" which any "designated insured" had knowledge of prior to the Prior Knowledge Date shown in the Declarations.

n. Fact, circumstance or situation which has been the subject of any notice given under any other directors and officers errors and omissions liability policy or coverage.

3. Third Party Discrimination and Employment Practices Liability Exclusions

This insurance does not apply to "claims" based upon, arising out of, related to, resulting from, in connection with any of the following, whether actual or alleged:

a. Acts Unrelated To the Covered Location

"Employment wrongful act" related to the ownership, maintenance, management, use, or operations of any location other than the "covered location".

b. Consequential Loss or Damages

Consequential loss or damages claimed by a claimant's domestic partner, spouse, child, parent, brother or sister, or any other relative related by blood, marriage or adoption, including but not limited to derivative claims, loss of consortium, emotional distress, lost wages or income.

c. Retroactive Date

"Wrongful act" that first occurred prior to the retroactive date shown in the Declarations for Third Party Discrimination and Employment Practices Liability. For the purposes of this exclusion, "interrelated wrongful acts" are excluded if the first such "interrelated wrongful act" took place or is alleged to have taken place prior to the retroactive date.

d. Contractual Liability

Obligation of an insured to pay by reason of the assumption of another's liability for an "employment wrongful act" in a contract or agreement. This exclusion will not apply to liability for damages because of an "employment wrongful act" that any insured would have without the contract or agreement.

e. Employees of Property Manager

"Employment wrongful act" committed or alleged to be committed against an employee of the "property manager".

f. Employment Related Laws

Violation of any of the following laws, including any amendments thereto:

(1) Any worker's compensation, disability benefits or unemployment compensation law, social security and other employment benefits law;

(2) The Employee Retirement Income Security Act of 1974 Public Law 93-406;

(3) The Fair Labor Standards Act (except the Equal Pay Act);

(4) The National Labor Relations Act;

(5) The Worker Adjustment and Retraining Notification Act;

(6) The Consolidated Omnibus Budget Reconciliation Act of 1985;

(7) The Occupational Safety and Health Act; or

(8) Any other federal, state or local statute, ordinance, regulations or common law similar to any statute or law described in this exclusion;

However, this exclusion shall not apply to any "claim" alleging:

(a) Violation of the Family and Medical Leave Act or any other similar state or local statute, ordinance, regulations or common law; or

(b) Retaliatory treatment of the claimant on account of the claimant's exercise of rights pursuant to such statute, ordinance, regulations or common law.

g. Fraud and Collusion

Fraud, collusion, dishonesty, criminal or malicious acts committed by or at the direction of an insured, if a final adjudication establishes such fraud, collusion, dishonesty, criminal or malicious acts and then only as to such insured. The fraud, collusion, dishonesty, criminal or malicious "wrongful acts" of an insured shall not be imputed to any other insured for the purposes of this exclusion.

h. Insurance Plan Benefits

Obligation to pay insurance plan benefits by or on behalf of current or former employees, or that to which a claimant would have been entitled as an employee had the insured community association provided the claimant with a continuation of insurance.

i. Prior Knowledge

"Wrongful act" or "interrelated wrongful act" which any "designated insured" had knowledge of prior to the Prior Knowledge Date shown in the Declarations.

j. Prior Notice

Fact, circumstance or situation which has been the subject of any notice given under any other employment practices liability policy or coverage.

k. Wage and Hour Law

Violation of any state or local wage and hour law, or failure to pay salary, wages, business expenses or gratuities under any statute, ordinance, regulation or common law. However, this exclusion does not apply to any "claim" of any actual or alleged retaliatory treatment of the claimant on account of the claimant's exercise of rights pursuant to any such laws.

E. LIMITS OF INSURANCE

The Annual Aggregate Limit of Liability shown in the Declarations is the most we will pay for covered "loss" arising from all "claims" first made during the "policy period", or Extended Reporting Period, if applicable under the Directors and Officers Errors and Omissions Liability and Third Party Discrimination and Employment Practices Liability Coverage, regardless of the number of insureds, "claims" made, persons or organizations making "claims" or number of applicable coverages.

The Annual Aggregate Limit of Liability applies separately to each consecutive annual "policy period". If the "policy period" is extended, the Limits of Liability shown in the Declarations shall not in any way increase. For purposes of the Limits of Liability, any policy extension is considered to be part of and not in addition to the former "policy period".

1. Directors and Officers Errors and Omissions Liability

a. The Each Claim Limit of Liability shown in the Declarations for Directors and Officers Errors and Omissions Liability limits is the most we will pay regardless of the number of insureds, "claims" made, or persons or organizations making "claims".

b. We will pay "loss" resulting from any single "claim" only to the extent the "loss" exceeds the retention amount shown in the Declarations.

2. Third Party Discrimination and Employment Practices Liability

a. The Each Claim Limit of Liability shown in the Declarations for Third Party Discrimination and Employment Practices Liability limits is the most we will pay regardless of the number of insureds, "claims" made, or persons making "claims".

b. We will pay "loss" resulting from any single "claim" only to the extent the "loss" exceeds the retention amount shown in the Declarations.

F. RETENTION

1. The retentions set forth in the Declarations apply separately to each "claim". Defense costs and "loss" are subject to the retentions. However, defense costs and "loss" incurred before an insured provides written notice of the "claim" to us, or incurred without our written consent, will not apply towards any retention.

2. The insured community association shall bear at its own risk the amount of the applicable retention. If we pay part or all of the retention to defend or settle a "claim", you will promptly reimburse us for the part of the retention paid by us.

3. No retention amount shall apply to defense costs or "loss" incurred by insured natural persons if the insured community association is not permitted or required to indemnify the insured natural persons for such defense costs or "loss" or if the insured community association is financially insolvent.

4. If, prior to terminating or demoting an "employee", the "insured" consults with and follows the advice of a labor law attorney approved by us, then the Third Party Discrimination and Employment Practices Liability retention is reduced by 50% in the event the "insured" faces a "claim" resulting from such termination or demotion.

G. EXTENDED REPORTING PERIOD

1. If a Limit of Liability for Directors and Officers Errors and Omissions Liability and/or Third Party Discrimination and Employment Practices Liability is shown in the Declarations, and one or both of these coverages is:

a. Cancelled for any reason other than nonpayment of premium; or

b. Not renewed;

the Named Insured shall have the right to purchase an Extended Reporting Period for that coverage. When purchased, the Extended Reporting Period shall commence on the effective date of the cancellation or nonrenewal described above. The Extended Reporting Period shall only apply to "claims" first made against the insured during the Extended Reporting Period for "wrongful acts" committed on or after the applicable retroactive date shown in the Declarations and prior to the end the "policy period" or the effective cancellation or nonrenewal date, whichever occurs first. Such "claims" must be reported to us as soon as practicable, but in no event more than 60 days after the end of the Extended Reporting Period.

For purposes of the Limit of Liability, the Extended Reporting Period is part of, and not in addition to, the "policy period". The Extended Reporting Period will not, in any way, increase the applicable Limit of Liability shown in the Declarations.

2. You may request an Extended Reporting Period of 12, 24 or 36 months. We must receive your written request to purchase an Extended Reporting Period within 60 days after the end of the "policy period" set forth in the Declarations or the effective cancellation or nonrenewal date, whichever occurs first.

The additional premium for an Extended Reporting Period will be a percentage of the expiring annual premium charged for Directors and Officers Errors and Omissions Liability and/or Third Party Discrimination and Employment Practices Liability for the last "policy period", as follows:

a. One year - 75%;

b. Two years - 140%; and

c. Three years - 200%.

We will issue an Extended Reporting Period endorsement upon receipt of your written request. You must pay the additional premium for the Extended Reporting Period when due. If payment is not received when due, the endorsement is null and void. The additional premium will be fully earned when the Extended Reporting Period Endorsement takes effect. If payment is received when due, the endorsement may not be cancelled by us.

H. LIABILITY CONDITIONS

Insurance provided under this **Section I** is subject to the following conditions:

1. Duties In The Event Of "Claim"

In the event of a "claim", you and any other involved insured must:

a. Provide the identity of any person alleging any "wrongful act";

b. Provide the identity of any insured who allegedly committed the "wrongful act";

c. Provide the identity of any witnesses to the alleged "wrongful act";

d. Provide the date(s) of an alleged "wrongful act";

e. Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with a "claim";

f. Authorize us to obtain statements, records and other information relating to such "claim" and its defense;

g. Cooperate with us in the investigation, settlement, or defense of the "claim"; and

h. Assist us upon our request in the enforcement of any right against any person or organization which may be liable to the insured because of "loss" to which this insurance may also apply.

2. Legal Action Against Us

No person or organization has a right under this Coverage Form:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us under this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Form, or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

3. Merger, Acquisition or Control

If, during the "policy period", any of the following changes occur:

a. The acquisition of the insured community association or of all or substantially all of its assets, by another entity, or the merger or consolidation of the insured community association into or with another entity such that the insured community association is not the surviving entity; or

b. The obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate over fifty percent (50%) of the directors, officers or trustees of the insured community association;

coverage with respect to the insured community association will continue in full force and effect with respect to "claims" for "wrongful acts" committed before such change. However, coverage will cease with respect to "claims" for "wrongful acts" committed on or after the date of such change. After any such change, this policy may not be cancelled, regardless of condition **III.B. Cancellation**, and the premium for this coverage will be fully earned.

4. Notice of Wrongful Acts

If during the "policy period" or any Extended Reporting Period:

a. You become aware of any "wrongful act" which may reasonably be expected to give rise to a "claim"; and

b. You give written notice to us of the specific "wrongful act," including the full particulars as to the dates and persons involved, the injury or damage which has or may result therefrom, the circumstances by which the insured first became aware of the "wrongful act", and the reasons for anticipating such a "claim";

then any "claim" which is subsequently made against an insured arising directly out of such "wrongful act" shall be considered made at the time such notice was given to us.

5. Other Insurance

If other valid and collectible insurance is available to the insured for a "claim" we cover, this insurance is excess over any such other insurance, whether primary, excess, contingent or on any other basis.

When this insurance is excess, we will pay only our share of the amount of the "loss", if any, that exceeds the sum of:

a. The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and

b. The total of all deductibles, retentions and self-insured amounts under such other insurance.

6. Where Coverage Is Provided

This insurance only applies to "claims" made in the United States of America, including its territories and possessions and Puerto Rico, for "wrongful acts" committed in the United States of America including its territories and possessions and Puerto Rico.

I. DEFINITIONS

1. "Advertisement" means widespread dissemination of information or images to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes:

a. Material placed on the Internet or on similar electronic means of communication about your goods, products or services for the purpose of attracting customers or supporters; and

b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

However, "advertisement" does not include any:

a. Design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

b. Display of goods, products or services at your physical place of business or at any other physical location such as in showrooms or at trade shows.

2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

3. "Claim" means:

a. A written demand seeking monetary damages or non-monetary relief;

b. A civil "suit" seeking monetary damages or non-monetary relief;

c. A formal administrative or regulatory proceeding, formal investigative order or similar document, including a filing seeking a Right to Sue an insured; or

d. The filing of any complaint against an insured with the EEOC, DFEH, or any similar administrative court or organization,

against an insured for a "wrongful act".

However, "claim" does not include any criminal proceeding or investigation.

4. "Construction defect" means any actual or alleged defective, faulty or delayed construction, including, but not limited to, in whole or part, any:

a. Construction, manufacture or assembly of any property;

b. Faulty or incorrect designs or plans, including but not limited to, architectural, plumbing, electrical and structural;

c. Improper soil testing;

d. Inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;

e. Failure to provide construction related goods or services as represented or to pay for such goods or services; or

f. The supervision of any of the activities described in items **a.** through **e.** above.

5. "Covered location" means:

a. Any premises owned by, rented to, in the charge of or occupied by the insured community association; and

b. All units comprising the insured community association.

6. "Designated insured" means any director, officer, trustee, employee with managerial or risk management responsibilities, or "property manager" of the insured community association.

7. "Employee" means an individual hired and paid directly by the insured community association to provide labor or services under the direct supervision of the insured community association, or any covered entity. This includes part time, seasonal and temporary employees as well as any individual employed in a supervisory, managerial or confidential position. "Employee" also includes volunteers, but only while acting on behalf of and under the direct supervision of the insured community association. "Employee" does not include an individual who is an independent contractor or subcontractor, an individual leased to another employer or an individual who is an employee of the "property manager".

8. "Employment practices wrongful act" means any of the following actual or alleged acts related to employment committed by an insured against an "employee" or former "employee" or applicant for employment with an Insured entity:

a. Wrongful dismissal, discharge or termination of employment, whether actual or constructive;

b. Employment related misrepresentation;

c. Wrongful deprivation of career opportunity, including demotion or failure to employ or promote;

d. Wrongful discipline;

e. Negligent employee evaluation;

f. Workplace harassment or bullying based on race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law;

g. Termination, demotion, failure or refusal to hire or promote, denial of an employment benefit or the taking of any adverse or differential employment action because of race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law;

h. Employment-related:

(1) Libel;

(2) Slander;

(3) Defamation of character;

(4) Invasion of privacy;

(5) False imprisonment;

(6) Detention; or

(7) Malicious prosecution.

"Employment practices wrongful act" includes retaliation "claims" related to any allegation of an act listed in **a.** through **h.** above. However, it does not include "claims" for actual or alleged violation of any federal, state or local wage and hour law, or any actual or alleged failure to pay salary, wages, business expenses or gratuities under any statute, ordinance, regulation or common law.

9. "Employment wrongful act" means "employment practices wrongful act" and "third party discrimination".

10. "Interrelated wrongful acts" mean "wrongful acts" that are temporally, logically or causally connected by any common fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions.

11. "Loss" means the total amount which the insured becomes legally obligated to pay as damages, judgments or settlements on account of all "claims" made against the insured for "wrongful acts" to which this insurance applies. "Loss" includes prevailing party attorney fees, regardless of whether they are deemed to be damages or costs, but only to the extent the prevailing party attorney fees are for "wrongful acts" to which this insurance otherwise applies.

However, "loss" does not include:

a. Defense costs;

b. Taxes, fines, penalties or liquidated damages;

c. Any non-monetary relief, including but not limited to the cost to comply with any injunction, order or agreement to provide such relief;

d. The multiple portion of any multiplied damage award, or punitive or exemplary damages;

e. Any amounts that are uninsurable under applicable state law;

f. Any amount for which the insured is not financially liable or for which there is no legal recourse against the insured; or

g. Costs:

(1) To modify or adapt any building or property in order to make such building or property more accessible or accommodating to any disabled person;

(2) Associated with eliminating non-essential duties from the job description of a disabled person;

(3) Associated with providing a disabled person with reasonable workplace accommodations; and

(4) Associated with lost productivity by an employer as the result of making a reasonable workplace accommodation for a disabled person.

12. "Media material" means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, web-casting, online forum, bulletin board and chat room content. However, it does not include computer software or the actual goods, products or services described, illustrated or displayed in such "media material".

13. "Personal and advertising injury" means injury including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. Wrongful eviction from, wrongful entry into, or physical invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of an insured;

d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication of material that violates a person's right of privacy;

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

h. Display of "media material" on the insured community association's website, or on social media web pages created and maintained by or on behalf of the insured community association.

14. "Policy period" means the period of time from the inception of this policy to the expiration date stated in the Declarations, or its earlier cancellation, if applicable. Any renewal of this policy constitutes a separate and distinct "policy period".

15. "Property damage" means:

a. Physical injury to, destruction of, or loss of use of any tangible property; or

b. Loss of use of tangible property that is not physically injured.

All loss of use shall be deemed to occur at the time of the physical injury, destruction or occurrence that caused it.

16. "Property manager" means any person or organization providing real estate property management services to the insured community association pursuant to a written contract:

a. Currently in effect or becoming effective during the "policy period"; and

b. Executed and signed prior to the "wrongful act".

17. "Subsidiary" means:

a. Any non-profit organization in which the Named Insured listed in the Declarations has the right to elect or appoint more than 50 percent (50%) of the directors or trustees, and

b. Any other organization specifically included as a "subsidiary" by written endorsement to this Coverage Form.

18. "Suit" means a civil proceeding against an insured in which damages or other relief, to which this insurance applies, are alleged. "Suit" includes an arbitration or mediation proceeding to which such insured must submit, or to which the insured voluntarily submits with our consent. For purposes of Third Party Discrimination and Employment Practices Liability, "suit" also includes a formal administrative or regulatory proceeding, including a proceeding seeking a Right to Sue any insured.

19. "Third party discrimination" means actual or alleged acts of discrimination or harassment by an insured against any natural person who is not an employee of any insured based on race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law. However, "third party discrimination" does not include actual or alleged acts of assault or battery.

20. "Wrongful act" means any actual or alleged act, error, omission, misstatement, misleading statement, neglect, or breach of duty committed or allegedly committed by any insured arising solely from their responsibilities for the insured community association. "Wrongful act" also includes "employment practices wrongful acts" and "third party discrimination".

SECTION II - CRISIS RESPONSE COVERAGE

A. COVERAGE

If a Limit of Insurance is shown in the Declarations for Crisis Response, we will reimburse the Named Insured for reasonable and necessary expenses incurred for "crisis response services":

1. Provided following a "covered crisis incident"; and

2. Rendered within 180 days of the "covered crisis incident".

We will not reimburse you for expenses incurred after this 180-day period, even if they are related to other expenses which began during the 180-day coverage period.

B. EXCLUSIONS

This insurance does not apply to:

1. Acts committed by you, or any of your directors, officers, trustees or "property managers"; or

2. Expenses for "crisis response services" for individuals who voluntarily participated in or were responsible for the "covered crisis incident".

C. WHO IS AN INSURED

The term insured when used in **Section II** means the Named Insured listed in the Declarations.

D. LIMIT OF INSURANCE

The Annual Aggregate Limit of Insurance shown in the Declarations for Crisis Response coverage is the most we will pay for all expenses for "covered crisis incidents" in any one "policy period". The Limit of Insurance for Crisis Response coverage is separate from and applies in addition to the Preferred Community Association Management Annual Aggregate Limit shown in the Declarations.

With respect to a "covered crisis incident" that begins in one "policy period" and continues into the next, all expenses for "covered crisis services" are deemed to be sustained in the "policy period" in which that "covered crisis incident" began.

If the "policy period" is extended, the Limits shown in the Declarations shall not in any way increase. For purposes of the Limit of Insurance, any policy extension is considered to be part of and not in addition to the former "policy period".

E. CONDITIONS

1. Admission Of Liability

Any payment under this coverage is not an admission of liability by any insured or by us.

2. Legal Action Against Us

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

a. There has been full compliance with all of the terms of this insurance; and

b. The action is brought within two years after the date on which the "covered crisis incident" occurred.

3. Notice Of A Crisis Incident

You must give us prompt notice of a "covered crisis incident", but in no event more than 90 days after you have first paid for any "crisis response services" incurred as a result of such incident.

4. Other Insurance

If "crisis response services" are also covered elsewhere under this policy or any other policy, we will reimburse you only for expenses you incurred for "crisis response services" in excess of the amount due from such other insurance, whether collectible or not.

5. Proof of Expenses and Reimbursement

As soon as possible after a "covered crisis incident", you must provide us with:

a. Full particulars regarding the nature and extent of "crisis response services" for which reimbursement is being sought;

b. Copies of invoices and proof of payments for all expenses for which you are requesting reimbursement; and

c. Any other pertinent information we may request that will assist us in determining the amount due and payable.

F. DEFINITIONS

1. "Covered crisis incident" means a violent act done with malice and intent to cause injury or death to a person or persons at or within 100 feet of a "covered location" which results in "serious bodily injury" or death to three or more persons at such location.

2. "Crisis response services" means those reasonable and necessary expenses for the items listed below that are directly due to and incurred because of a "covered crisis incident":

a. First aid or emergency care at the time of the "covered crisis incident";

b. Ambulance, hospital, medical, surgical, nursing, X-Ray and dental services, including prosthetic devices;

c. Professional counseling services for up to 180 days after a "covered crisis incident";

d. Funeral expenses; and

e. Increased temporary security measures.

3. "Policy period" means the period of time from the inception of this policy to the expiration date stated in the Declarations, or its earlier cancellation, if applicable. Any renewal of this policy constitutes a separate and distinct "policy period".

4. "Serious bodily injury" means any injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.

SECTION III - COMMON CONDITIONS

All insurance provided under this Coverage Form is subject to the following conditions:

A. BANKRUPTCY

Bankruptcy or insolvency of the insured community association will not relieve us of our obligations under this Coverage Part.

B. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this Coverage Form by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this Coverage Form by mailing or delivering to the first Named Insured written notice of cancellation at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The "policy period" will end on that date.

5. If this Coverage Form is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

C. CONCEALMENT, MISREPRESENTATION OR FRAUD

1. This Coverage Form is void in any case of fraud by you as it relates to this Coverage Form at any time. It is also void if you or any other insured, at any time, intentionally conceals or misrepresents a material fact concerning:

   a. This Coverage Form;

   b. The Covered Property;

   c. Your interest in the Covered Property; or

   d. A claim under this Coverage Form.

2. By accepting this coverage, you agree:

   a. The statements and representations made during or as part of the application process for this coverage are accurate and complete;

   b. We have issued this Coverage Form in reliance upon your statements and representations;

   c. If any material statements or representations we relied upon in issuing this Coverage Form are untrue, this Coverage Form shall be voidable; and

   d. If an insured intentionally conceals or misrepresents a material fact or commits fraud relating to a "claim", then we will not pay for any "loss" or damage sustained by that insured.

D. NONRENEWAL

1. If we decide not to renew this Coverage Form, we will mail or deliver written notice of the nonrenewal to the Named Insured not less than 30 days before the expiration date.

2. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

3. If notice is mailed, proof of mailing will be sufficient proof of notice.

E. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If you have rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. You must do nothing to impair such rights. At our request, you will transfer those rights to us and help us enforce such rights.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

FARMERS INSURANCE

POLICYHOLDER NOTICE - COLORADO

IMPORTANT NOTICE TO ALL COLORADO POLICYHOLDERS REGARDING CLAIMS-MADE POLICIES:

CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE FORM

THIS DISCLOSURE FORM IS NOT A PART OF YOUR COVERAGE. IT DESCRIBES SOME OF THE MAJOR FEATURES OF THIS COVERAGE FORM'S CLAIMS-MADE AND REPORTED COVERAGES. PLEASE READ YOUR COVERAGE FORM CAREFULLY TO DETERMINE YOUR RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR COVERAGE FORM DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

THIS COVERAGE FORM INCLUDES CLAIMS-MADE AND REPORTED COVERAGES WHICH PROVIDE COVERAGE ONLY IF A CLAIM IS MADE DURING THE POLICY PERIOD, THE 30-DAY AUTOMATIC EXTENSION PERIOD OR THE OPTIONAL EXTENSION PERIOD, IF PURCHASED.

DEFINITIONS

1. "Claim" means:

a. A written demand received by any "insured" for money or services; including service of a suit or institution of regulatory or arbitration proceedings;

b. With respect to coverage provided under Section **I. INSURING AGREEMENTS, C. Regulatory Defense And Penalties** only, institution of a "regulatory proceeding" against any "insured";

c. A written request or agreement to toll or waive a statute of limitations relating to a potential "claim" described in Paragraph **1.** above; and

d. With respect to coverage provided under Paragraph **1.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** only, a demand received by any "insured" to fulfill the "insured organization's" contractual obligation to provide notice of an incident (or reasonably suspected incident) described in Paragraph **1.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** pursuant to a "breach notice law".

Multiple "claims" arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, or from multiple "security breaches" arising from a failure of "computer security", shall be considered a single "claim" for the purposes of this Coverage Form, irrespective of the number of claimants or "insureds" involved in the "claim". All such "claims" shall be deemed to have been made at the time of the first such "claim".

2. "Claims-made and reported coverage" means an insurance coverage that provides coverage only if a "claim" is made during the Policy Period or any applicable extended reporting period for an act, error or omission giving rise to a "claim" that occurs after the Retroactive Date and before the end of the Policy Period, provided that the "claim" is reported to the Insurer in the manner and time period(s) set forth in the policy or Coverage Form.

3. "Optional Extension Period" means the period of time allowed for making "claims" after the expiration of a claims-made Coverage Form. This is also known as a "tail".

4. "Occurrence coverage" means an insurance coverage that provides liability coverage only for injury or damage that occurs during the Coverage Form term, regardless of when the "claim" is actually made. A "claim" made in the current Coverage Form year of an occurrence Coverage Form could be charged against a prior Coverage Form year, or may not be covered, if it arises from an occurrence prior to the effective date.

YOUR COVERAGE FORM

Your Cyber Liability and Data Breach Response Coverage Form includes claims-made and reported coverages which provide coverage only for "claims" made during the Coverage Form Period, the Automatic Extension Period or the Optional Extension Period, if applicable, for any negligent act, error or omission as provided for in Section **I. INSURING AGREEMENTS** of the Coverage Form occurring before or during the Policy Period and reported to your Insurer prior to the end of the Policy Period or the Extended Reporting Period, if applicable. The Optional Extension Period may be purchased if the Insurer or the named insured cancels or refuses to renew the Coverage Form.

There is no difference in the kind of injury or damage covered by occurrence or claims-made policies. "Claims" for damages may be assigned to a different Policy Period, however, depending on which type of Coverage Form you have.

PRINCIPAL BENEFITS

This Cyber Liability and Data Breach Response Coverage Form provides for payment of "damages" and "claims expenses" as defined in the Coverage Form, in excess of the retention amount up to the applicable Limit of Liability specified in the Coverage Form.

The principal benefits and coverages are explained in detail in your claims-made and reported Coverage Form. Please read it carefully and consult your insurance producer about any questions you might have.

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

Your Cyber Liability and Data Breach Response Coverage Form contains certain exceptions, reductions and limitations. Please read them carefully and consult your insurance producer about any questions you might have.

RENEWALS AND EXTENDED REPORTING PERIODS

It is important for you to be certain that no gaps occur in your insurance coverage when policies are renewed or replaced. These gaps can occur in several ways, especially where a Coverage Form that provides claims-made and reported coverage replaces a Coverage Form that provides occurrence coverage, or vice versa, or where a replacement Coverage Form provides for a retroactive date. This Coverage Form has a Retroactive Date, as specified in the Declarations. We set forth below some of the most common causes of gaps in insurance coverage:

1. If you switch from occurrence coverage to claims-made coverage the coverage afforded by the new claims-made coverage should begin to cover claims made immediately upon the expiration of the occurrence coverage. This means that the retroactive date, if any, of the replacement coverage should be no later than the expiration date of the occurrence coverage.
2. When replacing a Coverage Form that provides claims-made coverage with another Coverage Form that provides claims-made coverage, you should consider the following:
   a. The retroactive date in the replacement Coverage Form, if any, should extend far enough back in time to cover any events with long periods of liability exposure, or
   b. If the retroactive date in the replacement Coverage Form does not extend far enough back in time to cover events with long periods of liability exposure, you should consider purchasing extended reporting period coverage under the old claims-made Coverage Form.
3. If you replace this claims-made and reported Coverage Form with an occurrence Coverage Form, the occurrence Coverage Form will not cover a "claim" arising out of an act, error or omission occurring during the Coverage Form Period of this claims-made and reported Coverage Form and you may not have coverage for such a "claim" unless you have purchased the Optional Extended Reporting Period. The extended reporting period coverage must be offered to you by law for at least one year after the expiration of the claims made Coverage Form at a premium not to exceed 200% of your last Coverage Form premium.

CAREFULLY REVIEW YOUR COVERAGE FORM REGARDING THE AVAILABLE OPTIONAL EXTENSION PERIOD COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE AND THE TIME PERIOD DURING WHICH YOU MUST PURCHASE OR ACCEPT ANY OFFER FOR OPTIONAL EXTENSION PERIOD COVERAGE.

FARMERS INSURANCE

Mid-Century Insurance Company (A Stock Company)
Member Of The Farmers Insurance Group Of Companies®

Home Office: 6301 Owensmouth Ave., Woodland Hills, CA 91367

DECLARATIONS
CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE

THIS COVERAGE INCLUDES CLAIMS MADE AND REPORTED COVERAGES. SUBJECT TO ITS TERMS, THIS COVERAGE FORM'S CLAIMS MADE COVERAGES APPLY ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE, PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE COMPANY AS SOON AS PRACTICABLE. WITHOUT NEGATING THE FOREGOING REQUIREMENTS, SUCH NOTICE OF CLAIM MUST ALSO BE REPORTED NO LATER THAN 30 DAYS AFTER THE END OF THE POLICY PERIOD OR, IF APPLICABLE, DURING THE OPTIONAL EXTENDED REPORTING PERIOD. AMOUNTS INCURRED AS CLAIMS EXPENSES, WHICH INCLUDES DEFENSE COSTS, SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE COMPANY SHALL NOT BE LIABLE FOR ANY CLAIMS EXPENSES OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. PLEASE READ THE COVERAGE FORM CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT.

Named Insured OSPREY RESERVE OWNERS
*SEE J7104 AMEND TO NAMED INS

Policy Number 60663-38-37

Mailing Address PO BOX 2590
DILLON, CO 80435-2566

Policy Period From: 11-01-2026
To: 11-01-2027 12:01 A.M. Standard time at your mailing address shown above.

Retroactive Date: 11/01/2017

Continuity Date: 11/01/2017

Optional Extension Period:
Length of optional extension period: _____

If no time period is stated, optional extension period coverage is not provided.

Cyber Extortion Hot Line: 1-800-435-7764

Coverage	Limit Of Insurance	Retention/Waiting Period
Aggregate Limit of Liability	$50,000	
Insuring Agreement A - Information Security & Privacy Liability	$50,000	$2,500
Insuring Agreement B - Privacy Breach Response Services	$50,000/ 5,000 Notified Individuals	$2,500/ 100 Notified Individuals
Insuring Agreement C - Regulatory Defense & Penalties	$50,000	$2,500
Insuring Agreement D - Website Media Content Liability	$50,000	$2,500
Insuring Agreement E - PCI Fines, Expenses And Costs	$10,000	$2,500
Insuring Agreement F - Cyber Extortion	$50,000	$2,500
Insuring Agreement G - First Party Data Protection	$50,000	$2,500
Insuring Agreement H - First Party Network Business Interruption Income Loss/Extra Expense Waiting Period	$50,000	$2,500 12 hours

Policy Forms And Endorsements Attached At Inception

Number	Title
25-8934 J7155-ED1 S0759-ED1	CO Ph Notice Re Claims-Made Policies Cyber Liability Coverage Form Cyber Liab - CO Amendatory Endor

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

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COLORADO AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the:

CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE FORM

A. Section **VII. EXTENSION PERIODS** is amended as follows:

1. Paragraph **B.1. Optional Extension Period** is amended by deleting the reference to "30 days of the termination" and replacing it with "60 days of the termination" and by deleting the reference to "such 30 day period" and replacing it with "such 60 day period".

B. Section **XVI. CANCELLATION** is amended as follows:

1. Paragraph **B.** is deleted and replaced with the following:

B. Cancellation By Us

If this Coverage Form has been in effect for less than 60 days and is not a renewal Coverage Form, the Company may cancel this Coverage Form for any reason.

If this Coverage Form has been in effect for 60 days or more or is a renewal Coverage Form, the Company may only cancel the Coverage Form for any of the following reasons:

1. Nonpayment of premium;

2. A false statement knowingly made by the "insured" on the Application for insurance; or

3. A substantial change in the exposure or risk other than that indicated in the Application and underwritten as of the effective date of the Coverage Form unless the "insured" has notified the Company of the change and the Company accepts such change.

If the Company cancels this Coverage Form for the reason set forth in **1.** above, the Company shall mail by first class mail written notice of cancellation to the "named insured" at the address shown in the Declarations at least ten (10) days before the effective date of cancellation. If the Company cancels this Coverage Form for any of the reasons set forth in **2.** or **3.** above, the Company shall mail by first class mail written notice of cancellation to the "named insured" at the address shown in the Declarations at least 45 days before the effective date of cancellation. The notice of cancellation shall state the reason for cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the "Policy Period".

C. Section **XVII. NONRENEWAL** is amended to delete the first paragraph and replace it with the following:

If the Company decides not to renew this Coverage Form, or to condition renewal upon an increase in premium or decrease in the coverage benefits, the Company shall mail by first class mail written notice to the "named insured", at the "named insured's" last known address, at least 45 days before the end of the "Policy Period". The notice of nonrenewal shall state the reason for nonrenewal. If the Company fails to give such timely notice, the Coverage Form shall be continued with no change in terms or conditions for a period of 45 days after the Company gives notice, with the premium for this period prorated based on the premium applicable to the existing Coverage Form. If the Company fails to give notice before the end of the "Policy Period", the Company shall be deemed to have renewed the "named insured's" Coverage Form for an identical "Policy Period" at the same terms, conditions and premium as the existing Coverage Form.

D. The Coverage Form is amended by the addition of the following:

XVIII. RIGHT TO CLAIM INFORMATION

Once an "insured" has made a "claim" during the "Policy Period", the Company must provide the "named insured", within 30 days of its request, sufficient information about closed or paid "claims" made against the "insureds", "claims" made against the "insureds" for which the Company has established reserves, and "claims" made against the "insureds" for which the Company has received notices of any negligent act, error or omission of the "insured" in rendering or failure to render Professional Services, which could give rise to "claims", to allow the "insured" to determine how much of the aggregate coverage remains available under the Coverage Form.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

FARMERS INSURANCE

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CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE FORM

THIS COVERAGE FORM INCLUDES CLAIMS MADE AND REPORTED COVERAGES. SUBJECT TO ITS TERMS, THIS COVERAGE FORM'S CLAIMS MADE COVERAGES APPLY ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE, PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE. AMOUNTS INCURRED AS CLAIMS EXPENSES, WHICH INCLUDES DEFENSE COSTS, SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE COMPANY SHALL NOT BE LIABLE FOR ANY CLAIMS EXPENSES OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. READ THIS COVERAGE FORM CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE.

Except as specifically set forth herein, the provisions of the policy to which this coverage form is attached shall not apply to this Coverage Form. Throughout this Coverage Form, the words "you" and "your" refer to the "named insured(s)" shown in the Declarations of this Coverage Form and any other person(s) or organization(s) qualifying as a "named insured" under this Coverage Form. The words "we", "us", and "our" refer to the company providing this insurance.

Any words or phrases that appear in "quotations" have special meaning applicable to this Coverage Form only. Refer to Section **XI. DEFINITIONS**.

Paragraphs **A.**, **C.**, **D.**, and **E.** of Section **I. INSURING AGREEMENTS** provide coverage on a claims made and reported basis and apply only to "claims" first made against the "insured" and reported to us during the policy period, the "automatic extension period", or the "optional extension period" (if applicable)

Paragraphs **B.**, **F.**, **G.**, and **H.** of Section **I. INSURING AGREEMENTS** provide first party coverage on an incident discovered and reported basis and apply only to incidents first discovered and reported to us during the policy period.

The Company agrees with the "Named Insured":

I. INSURING AGREEMENTS

A. Information Security And Privacy Liability

We shall pay on behalf of the "insured", "damages" and "claims expenses", in excess of the retention, which the "insured" shall become legally obligated to pay because of any "claim", including a "claim" for violation of a "privacy law", for:

1. Theft, loss, or "unauthorized disclosure" of "personally identifiable information" or "third party information" that is in the care, custody or control of the "insured organization", or a third party for whose theft, loss or "unauthorized disclosure" of "personally identifiable information" or "third party information" the "insured organization" is legally liable;

2. One or more of the following acts or incidents that directly result from a failure of "computer security" to prevent a "security breach":

a. The alteration, corruption, destruction, deletion, or damage to data stored on "computer systems";

b. The failure to prevent transmission of malicious code from "computer systems" to computer or network systems that are not owned, operated or controlled by an "insured"; or

c. The participation by the "insured organization's" "computer system" in a denial of service attack directed against computer or network systems that are not owned, operated or controlled by an "insured";

3. The "insured organization's" failure to timely disclose an incident described in paragraphs **A.1.** or **A.2.** in violation of any "breach notice law";

4. Failure by the "insured" to comply with that part of a "privacy policy" that specifically:

a. Prohibits or restricts the "insured organization's" disclosure, sharing or selling of a person's "personally identifiable information";

b. Requires the "insured organization" to provide access to "personally identifiable information" or to correct incomplete or inaccurate "personally identifiable information" after a request is made by a person; or

c. Mandates procedures and requirements to prevent the loss of "personally identifiable information";

Provided the "insured organization" must, at the time of such acts, errors or omissions have in force a "privacy policy" that addresses subsections **4.a. - 4.c.** above that are relevant to such "claim"; or

5. Failure by the "insured" to administer:

a. An identity theft prevention program required by regulations and guidelines promulgated pursuant to 15 U.S.C. §1681m(e), as amended; or

b. An information disposal program required by regulations and guidelines promulgated pursuant to 15 U.S.C §1681W, as amended.

All acts, incidents, failures to timely disclose, failures to comply, thefts, losses, errors or omissions described in Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** must first take place on or after the "retroactive date" and before the end of the "policy period" to be eligible for coverage under Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability.**

B. Privacy Breach Response Services

We shall provide to the "insured organization" "privacy breach response services" in excess of the retention because of an incident described in Paragraphs **1.** and **2.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability.**

"Privacy breach response services" means:

1. "Computer expert services";

2. "Legal services";

3. "Public relations and crisis management expenses";

4. "Notification services" to provide notification to:

a. Individuals residing in the United States who are required to be notified by the "insured organization" under the applicable "breach notice law". However, we may also provide "notification services" to individuals, who at our discretion, have been affected by an incident in which their "personally identifiable information" has been subject to theft, loss, or "unauthorized disclosure" in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.

b. For incidents involving more than 100 "notified individuals" **"**Privacy Breach Response" Services also means:

(1) "Call center services" to "notified individuals"; and

(2) To be covered, such offer must be provided in a mailed notification provided pursuant to Insuring Agreement **I.B.4.** above. However, if the Insured uses an attorney and other service providers recommended by the Company for all "Privacy Breach Response Services", then the threshold of 100 "notified individuals" set forth above shall not apply to the "call center services", but the self-insured retention shall continue to apply as set forth in the Declarations.

5. "Call center services"; and

6. "Breach resolution and mitigation services".

"Privacy breach response services" also includes assistance from the breach response services team and access to education and loss control information at no charge.

"Privacy breach response services" will be provided subject to the terms and conditions of this Coverage Form and shall not include any internal salary or overhead expenses of the "insured organization".

C. Regulatory Defense And Penalties

We shall pay on behalf of the "insured", "claims expenses" and "penalties" in excess of the retention, which the "insured" shall become legally obligated to pay because of any "claim" in the form of a "regulatory proceeding", caused by an incident described in Paragraphs **1.**, **2.**, and **3.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** that first takes place on or after the "retroactive date" and before the end of the "policy period".

D. Website Media Content Liability

We shall pay on behalf of the "insured", "damages" and "claims expenses", in excess of the retention, which the "insured" becomes legally obligated to pay for one or more of the following acts first committed on or after the "retroactive date" and before the end of the "policy period" in the course of the "insured organization's" display of "media material" on its web site or on social media web pages created and maintained by or on behalf of the "insured organization":

1. Invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;

2. Misappropriation of ideas under implied contract;

3. Plagiarism and piracy;

4. Infringement of copyright;

5. Infringement of domain name, trademark, trade name, logo, title, metatags, or service mark, or service name; or

6. Improper deep-linking or framing within electronic content.

E. PCI Fines, Expenses And Costs

We shall indemnify the "insured" for "PCI Fines, Expenses, and Costs", in excess of the retention, which the "insured" shall become legally obligated to pay on or after the "retroactive date" and before the end of the "policy period". Coverage under Section **I. INSURING AGREEMENTS, E. PCI Fines, Expenses And Costs** is sublimited to the amount set forth in the Declarations. We have no duty to defend any "claim" or to pay any "claims expenses" associated with a "claim" brought under Section **I. INSURING AGREEMENTS, E. PCI Fines, Expenses And Costs**.

F. Cyber Extortion

We shall reimburse the "insured" for "cyber extortion loss", in excess of the retention, which the "insured" pays as a direct result of an "extortion threat" first made against the "insured" on or after the "retroactive date" and before the end of the "policy period" by a person, other than the "insured's" employees, directors, officers, principals, trustees, governors, managers, members, management committee members, members of the management board, partners, contractors, outsourcers, or any person in collusion with any of the foregoing. Coverage under this Insuring Agreement is subject to the applicable conditions and reporting requirements, including those set forth in Section **XV. OBLIGATIONS IN THE EVENT OF AN EXTORTION THREAT**.

G. First Party Data Protection

We shall indemnify the "insured" for "data protection loss" in excess of the retention, which the "insured" becomes obligated to pay as a direct result of one or more of the following that first takes place on or after the "retroactive date" and before the end of the "policy period":

1. alteration, corruption, destruction, deletion or damage to a "data asset"; or

2. inability to access a "data asset";

and is directly caused by a failure of "computer security" to prevent a "security breach"; provided that such "security breach" must take place on or after the "retroactive date" and before the end of the "policy period".

H. First Party Network Business Interruption

We shall indemnify the "insured", for "business interruption loss", in excess of the retention, incurred by the "insured" during the "period of restoration" or the "extended interruption period" (if applicable) as a direct result of the actual and necessary interruption or suspension of "computer systems" that first takes place during the "policy period" and is directly caused by a failure of "computer security" to prevent a "security breach"; provided that such "security breach" must first take place on or after the "retroactive date" and before the end of the "policy period".

II. DEFENSE AND SETTLEMENT OF CLAIMS

A. We shall have the right and duty to defend:

1. Any "claim" against the "insured" seeking "damages" even if any of the allegations of the "claim" are groundless, false or fraudulent; or

2. Under Section **I. INSURING AGREEMENTS, C. Regulatory Defense And Penalties**, any "claim" in the form of a "regulatory proceeding".

Selection of defense counsel shall be mutually agreed upon between us and the "named insured", but in the absence of such agreement, our decision shall be final.

B. We will pay "claims expenses" incurred. The Aggregate Limit of Liability available to pay "damages" and "penalties" shall be reduced and may be completely exhausted by payment of "claims expenses". "Damages", "penalties", and "claims expenses" shall be applied against the each claim retention payable by the "insured".

C. If the "insured" refuses to consent to any settlement or compromise recommended by us and acceptable to the claimant and elects to contest the "claim", our liability for any "damages", "penalties", and "claims expenses" shall not exceed the lesser of:

1. The amount for which the "claim" could have been settled, less the remaining retention, plus the "claims expenses" incurred up to the time of such refusal; or

2. The applicable Limit of Liability whichever is less, and we have the right to withdraw from further defense by tendering control of said defense to the "insured". The portion of any proposed settlement or compromise that requires the "insured" to cease, limit or refrain from actual or alleged infringing or otherwise injurious activity or is attributable to future royalties or other amounts that are not "damages" (or "penalties" for "claims" covered under Section **I. INSURING AGREEMENTS, C. Regulatory Defense And Penalties**) shall not be considered in determining the amount for which a "claim" could have been settled.

III. WHO IS AN INSURED

A. Whether expressed in singular or plural, "insured" shall mean:

1. The "named insured" and any "subsidiaries" of the "named insured" (together the "insured organization");

2. A director, manager of a limited liability company or officer of the "insured organization", but only with respect to the performance of their duties as such on behalf of the "insured organization";

3. An employee of the "insured organization", but only for work done while acting within the scope of their employment and related to the conduct of the "insured organization's" business;

4. A principal if the "named insured" is a sole proprietorship, or a partner if the "named insured" is a partnership, but only with respect to the performance of their duties as such on behalf of the "insured organization";

5. Any person previously qualified as an "insured" under Paragraphs **A2.**, **A3.,** or **A4.** of Section **III. WHO IS AN INSURED** prior to the termination of the required relationship with the "insured organization", but only with respect to the performance of their duties as such on behalf of the "insured organization".

B. "Named insured" means the entity or individual shown in the Declarations of this Coverage Form.

IV. EXCLUSIONS

This insurance does not apply to any "claim" or "loss":

A. Arising out of or resulting from any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written. However, this exclusion will not apply:

1. Only with respect to the coverage provided pursuant to Paragraph **1.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability**, to any obligation of the "insured organization" to maintain the confidentiality or security of "personally identifiable information" or of "third party information";

2. Only with respect to Paragraph **4.** of Section **I. INSURING AGREEMENTS, D. Website Media Content Liability**, for misappropriation of ideas under implied contract; or

3. To the extent the "insured" would have been liable in the absence of such contract or agreement.

B. Arising out of or resulting from any liability or obligation under a "merchant services agreement" except this exclusion does not apply to "PCI Fines, Expenses, and Costs" covered under Section **I. INSURING AGREEMENTS, E. PCI Fines, Expenses, and Costs**, or to "computer expert services" or "legal services" covered under Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services**.

C. Arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices; however, this exclusion does not apply to:

1. Any "claim" covered under Paragraphs **1.**, **2.**, or **3.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** or Section **I. INSURING AGREEMENTS, C. Regulatory Defense and Penalties**; or

2. The providing of "privacy breach response services" covered under Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services**.

D. Arising out of or resulting from the actual or alleged unlawful collection, acquisition or retention of "personally identifiable information" (except as otherwise covered under Paragraph **5.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability**) or other personal information by, on behalf of, or with the consent or cooperation of the "insured organization"; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of "personally identifiable information". This exclusion shall not apply to the actual or alleged unlawful collection, acquisition or retention of "personally identifiable information" by a person or entity that is not a "related party" and without the knowledge of the "insured organization".

E. Arising out of or resulting from any act, error, omission, incident, failure of "computer security", or "security breach" committed or occurring prior to the "continuity date" of this Coverage Form:

1. If any member of the "control group" on or before the "continuity date" knew or could have reasonably foreseen that such act, error or omission, incident, failure of "computer security", or "security breach" might be expected to be the basis of a "claim" or "loss"; or

2. In respect of which any "insured" has given notice of a circumstance, which might lead to a "claim" or "loss", to the insurer of any other policy in force prior to the inception date of this Coverage Form.

F. Arising out of or resulting from any related or continuing acts, errors, omissions, incidents or events, where the first such act, error, omission, incident or event was committed or occurred prior to the "retroactive date."

G. For, arising out of or resulting from any actual or alleged:

1. Infringement of patent or patent rights or misuse or abuse of patent;

2. Infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or "unauthorized access or use" of software code by a person who is not a "related party";

3. Use or misappropriation of any ideas, trade secrets or "third party corporate information" (i) by, or on behalf of, the "insured organization", or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the Control Group;

4. Disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information that came into the possession of any person or entity prior to the date the person or entity became an employee, officer, director, manager of a limited liability company, principal, partner or "subsidiary" of the "insured"; or

5. Under Paragraph **2.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability**, theft of or "unauthorized disclosure" of a "data asset."

H. In connection with or resulting from a "claim" brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any other state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity; provided, this exclusion shall not apply to an otherwise covered "claim" under Section **I. INSURING AGREEMENTS, C. Regulatory Defense and Penalties** or to the providing of "privacy breach response services" under Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services** to the extent such services are legally required to comply with a "breach notice law";

I. Arising out of or resulting from a "claim" by or on behalf of one or more "insureds" under this coverage against any other "insured" or "insureds" under this coverage; provided this exclusion shall not apply to an otherwise covered "claim" under Paragraphs **1.**, **2.**, or **3.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** made by a current or former employee of the "insured organization";

J. Arising out of or resulting from:

1. Any "claim" made by any business enterprise in which any "insured" has greater than a 15 percent (15%) ownership interest or made by any parent company or other entity which owns more than 15 percent (15%) of the "named insured"; or

2. The "insured's" activities as a trustee, partner, member, manager of a limited liability company, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the "insured organization";

K. Arising out of or resulting from:

1. The actual or alleged obligation to make licensing fee or royalty payments;

2. Any costs or expenses incurred or to be incurred by the "insured" or others for the reprinting, reposting, recall, removal or disposal of any "media material" or any other information, content or media, including any media or products containing such "media material", information, content or media;

3. Any "claim" brought by or on behalf of any intellectual property licensing bodies or organizations;

4. The actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance;

5. Any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or

6. Any "claim" made by or on behalf of any independent contractor, joint venture or venture partner arising out of or resulting from disputes over ownership of rights in "media material" or services provided by such independent contractor, joint venture or venture partner;

L. With respect to Section **I. INSURING AGREEMENTS F. Cyber Extortion, G. Data Protection Loss and H. Business Interruption Loss** arising out of or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any "security breach", "extortion threat", or intentional or knowing violation of the law, if committed by any member of the "control group" or any person in participation or collusion with any member of the "control group";

M. With respect to Section **I. INSURING AGREEMENTS G. Data Protection Loss and H. Business Interruption Loss** arising out of or resulting from:

1. Any failure or malfunction of electrical or telecommunications infrastructure or services, provided that this exclusion shall not apply to any otherwise covered "claim" or "loss" arising out of failure of "computer security" to prevent a "security breach" that was solely caused by a failure or malfunction of telecommunications infrastructure or services under the "insured's" direct operational control;

2. Fire, flood, earthquake, volcanic eruption, explosion, lighting, wind, hail, tidal wave, landslide, act of God or other physical event; or

3. Any satellite failures.

N. With respect to Section **I. INSURING AGREEMENTS F. Cyber Extortion** arising out of or resulting from:

1. Any threat to physically harm or kidnap any person; or

2. Any threat to harm, take, or transfer property other than any "data asset", even if such threat is made in conjunction with a threat to a "data asset" or by carrying out such threat to, harm, theft, or transfer, a "data asset" may be damaged, corrupted, altered, taken, disseminated or transferred;

O. Arising out of or resulting from any seizure, nationalization, confiscation, or destruction of "computer systems" or "data assets" by order of any governmental or public authority;

P. Arising out of or resulting from, directly or indirectly occasioned by, happening through or in consequence of: war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

V. LIMIT OF LIABILITY AND COVERAGE

A. The Aggregate Limit of Liability set forth in the Declarations is our combined total limit of liability for all "damages", "penalties", "PCI Fines, Expenses, and Costs", "public relations and crisis management expenses", "cyber extortion loss", "data protection loss", "business interruption loss" and "claims expenses" payable under this Coverage Form.

Neither the inclusion of more than one "insured" under this Coverage Form, nor the making of "claims" by more than one person or entity, shall increase the Limit of Liability.

B. The Limit of Liability for the "automatic extension period" and the "optional extension period" shall be part of and not in addition to the Aggregate Limit of Liability.

C. The "Notified Individuals" limit stated in the Declarations is the maximum total number of "notified individuals" to whom notification will be provided or attempted for all incidents or series of related incidents giving rise to an obligation to provide "notification services", "call center services" or "breach resolution and mitigation services".

D. We shall not be obligated to pay any "damages", "penalties", or "claims expenses", or to undertake or continue defense of any suit or proceeding after the Aggregate Limit of Liability has been exhausted by payment of "damages", "penalties" or "claims expenses", or after deposit of the Aggregate Limit of Liability in a court of competent jurisdiction. Upon such payment, we shall have the right to withdraw from further defense of any "claim" under this Coverage Form by tendering control of said defense to the "insured".

E. Unless otherwise specified in this Coverage Form, "privacy breach response services" will be provided by a service provider selected by us from the service providers listed in the "information packet".

F. To the extent that costs to provide "privacy breach response services" are covered pursuant to a "claim" described in Paragraph **D.4.** of Section **XI. DEFINITIONS**, such costs shall be covered solely under Section **I. INSURING AGREEMENTS, A. Information Security and Privacy Liability.**

G. In the event that this Coverage Form is accompanied by an application, then only Paragraphs **B. - E.,** of this Section **V. LIMIT OF LIABILITY AND COVERAGE** apply and limits of liability shall be as follows:

1. The Aggregate Limit of Liability shall include all items as set forth in the Declarations and Paragraph **A.** except "public relations and crisis management expenses".

2. The Regulatory Defense and Penalties sublimit of liability stated in the Declarations is the aggregate sublimit of liability payable under Section **I. INSURING AGREEMENTS, C. Regulatory Defense and Penalties** of this Coverage Form and is part of and not in addition to the Aggregate Limit of Liability.

3. The PCI Fines, Expenses, and Costs sublimit of liability stated in the Declarations is the aggregate sublimit of liability payable under Section **I. INSURING AGREEMENTS, E. PCI Fines, Expenses, and Costs** of this Coverage Form and is part of and not in addition to the Aggregate Limit of Liability.

4. The Cyber Extortion sublimit of liability stated in the Declarations is the sublimit of liability payable under Section **I. INSURING AGREEMENTS, F. Cyber Extortion** of this Coverage Form and is part of and not in addition to the Aggregate Limit of Liability.

5. The First Party Data Protection sublimit of liability stated in the Declarations is the sublimit of liability payable under Section **I. INSURING AGREEMENTS, G. First Party Data Protection** of this Coverage Form and is part of and not in addition to the Aggregate Limit of Liability.

6. The First Party Network Business Interruption sublimit of liability stated in the Declarations is the sublimit of liability payable under Section **I. INSURING AGREEMENTS, H. First Party Network Business Interruption** of this Coverage Form and is part of and not in addition to the Aggregate Limit of Liability.

7. There shall be a separate aggregate limit of coverage as stated in the Declarations for "computer expert services", "legal services, and "public relations and crisis management expenses". The aggregate limit stated in the Declarations is the aggregate limit of coverage for all "computer expert services", "legal services" and "public relations and crisis management expenses" combined.

VI. RETENTION

A. The retention(s) set forth in the Declarations apply(ies) separately to each incident, event or related incidents or events, giving rise to a "claim". The retention(s) shall be satisfied by monetary payments by the "named insured" of "damages", "claims expenses", "penalties" "public relations and crisis management", "cyber extortion loss", "data protection loss", "business interruption loss", or "PCI Fines, Expenses and Costs".

B. For all "notification services", "call center services" and "breach resolution and mitigation services" for each incident, the notified individuals sublimit set forth in the Declarations applies separately to each incident, event or related incidents or events, giving rise to an obligation to provide such services.

C. With respect to Section **I. INSURING AGREEMENTS H. First Party Network Business Interruption**, the retention set forth in the Declarations applies separately to each "security breach". The "retention" shall be satisfied by covered "business interruption loss" retained by the "insured organization". The "retention" for Section **I. INSURING AGREEMENTS H. First Party Network Business Interruption**, shall be as follows:

1. with respect to covered "business interruption loss", the "retention" shall be the greater of:

a. the "retention" amount set forth in the Declarations; or

b. the amount of "business interruption loss" during the "waiting period";

D. Satisfaction of the applicable retention is a condition precedent to our payment of any amounts hereunder, and we shall be liable only for the amounts in excess of such retention subject to our total liability not exceeding the Aggregate Limit of Liability. The "named insured" shall be responsible for all payments within the retention and shall make all such payments directly to the other parties designated by us.

VII. EXTENSION PERIODS

A. Automatic Extension Period

We will provide a 14 day "automatic extension period" in the event of termination of this Coverage Form for any reason except the non-payment of premium. The "automatic extension period" does not apply to Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services, F. Cyber Extortion, G. First Party Data Protection** and **H. First Party Network Business Interruption.**

B. Optional Extension Period

1. In the event of the termination of this Coverage Form for any reason except the non-payment of premium, you have the right to purchase an endorsement providing an "optional extension period" of 12 or 24 months for "claims" first made against any "insured" and reported to us during the "optional extension period". You must submit a written request for the "optional extension period" to us within 30 days of the termination of this Coverage Form. Payment of the full additional premium for the "optional extension period" endorsement is due within 30 days of the termination of this Coverage Form. If notice of election and payment for the "optional extension period" is not given to us within such 30 day period, there shall be no right to purchase the "optional extension period".

2. The Limit of Liability for the "optional extension period" shall be part of, and not in addition to, the applicable Limit of Liability for the "policy period". The purchase of the "optional extension period" does not in any way increase the Aggregate Limit of Liability or any sublimit of liability. The "optional extension period" does not extend the "policy period" or change the scope of the coverage provided. The "optional extension period" only extends the "claims" reporting period. A "claim" first made against any "insured" and reported to us during the "optional extension period" will be deemed to have been made on the last day of the "policy period" provided that the "claim" is for any act, error, or omission committed on or after the "retroactive date" and before the end of the "policy period".

3. The additional premium for a 12 month "optional extension period" will be 100% of the premium charged for the last "policy period". The additional premium for a 24 month "optional extension period" will be 200% of the premium charged for the last "policy period". At the commencement of the "optional extension period" the entire premium shall be deemed earned, and in the event the "named insured" terminates the "optional extension period" for any reason prior to its natural expiration; we will not be liable to return any premium paid for the "optional extension period".

4. The right to purchase an "optional extension period" shall not be available to you if the premium for the policy to which this coverage form is attached has not been paid in full, or if we have cancelled or not renewed it due to non-payment of premium or your failure to pay amounts in excess of the applicable limit of liability or within the amount of the retention. The "optional extension period" does not apply to Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services, F. Cyber Extortion, G. First Party Data Protection** and **H. First Party Network Business Interruption.**

VIII. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

A. If any "claim" is made against the "insured" the "insured" shall forward as soon as practicable to us written notice of such "claim" in the form of a facsimile, email, through our web or mobile app portals, or express or certified mail together with every demand, notice, summons or other process received by the "insured" or the "insured's" representative.

B. With respect to Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services**, for a legal obligation to comply with a "breach notice law" because of an incident described in Paragraph **1.** or **2.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability**, such incident or reasonably suspected incident must be reported as soon as practicable during the "policy period" after discovery by the "insured".

C. If during the "policy period", the "insured" becomes aware of any circumstance that could reasonably be the basis for a "claim" it may give written notice to us in the form of a facsimile, through our web or mobile app portals, email or express or certified mail as soon as practicable during the "policy period". Such a notice must include:

1. The specific details of the act, error, omission, or "security breach" that could reasonably be the basis for a "claim";

2. The injury or damage which may result or has resulted from the circumstance; and

3. The facts by which the "insured" first became aware of the act, error, omission or "security breach".

Any subsequent "claim" made against the "insured" arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to us.

An incident or reasonably suspected incident reported to us during the "policy period" and in conformance with Paragraph **B.** of Section **VIII. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** shall also constitute notice of a circumstance under this Paragraph **C.**

D. A "claim" or legal obligation under Paragraphs **A.** or **B.** of Section **VIII. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** shall be considered to be reported to us when written notice is first received by us in the form of a facsimile, email, through our web or mobile app portals, or express or certified mail or email of the "claim" or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a "claim" if provided in compliance with Paragraph **C.** of Section **VIII. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**.

E. With respect to Section **I. INSURING AGREEMENTS, H. Business Interruption Loss**, the "insured" shall forward immediately to us, written notice of the interruption or suspension of "computer systems" to which this Coverage Form applies in the form of a facsimile, email, through our web or mobile app portals or express mail. Such notice must be provided during the "policy period", or no later than ten days after the end of the "policy period" for interruptions or suspensions occurring within ten days of the end of the "policy period"; provided, all covered "business interruption loss" must be reported to us (in accordance with Section **XIII. Proof of Loss and Appraisal**) no later than six (6) months after the end of the "policy period".

IX. OTHER INSURANCE

The insurance under this Coverage Form shall apply in excess of any other valid and collectible insurance available to any "insured", including any self-insured retention or deductible portion thereof unless such other insurance is written only as specific excess insurance over the Aggregate Limit of Liability or any other applicable Limit of Liability of this Coverage Form.

X. NAMED INSURED AS AGENT

The "named insured" shall be considered the agent of all "insureds" and shall act on behalf of all "insureds" with respect to the giving of or receipt of all notices pertaining to this Coverage Form and the acceptance of any endorsements to this Coverage Form. With respect to Section **I. INSURING AGREEMENT F. Cyber Extortion**, in the event of an "extortion threat" to which this insurance applies, the "insured" shall notify us by calling the phone number for the Cyber Extortion Threat hotline shown in the Declarations immediately upon receipt of any "extortion threat", and shall thereafter also provide written notice by facsimile, email, through our web or mobile app portals, or express mail within five days following the "extortion threat".

XI. DEFINITIONS

A. The following definitions apply to the provisions of this coverage form:

1. "Automatic extension period" means the period described in Section **VII. EXTENSION PERIODS**, Paragraph **A. Automatic Extension Period**, wherein this Coverage Form provides extra days after the end of this "policy period" for an "insured" to report a "claim" that occurred during the "policy period".

2. "Breach notice law" means any statute or regulation that requires notice to persons whose "personally identifiable information" was accessed or reasonably may have been accessed by an unauthorized person.

3. "Breach resolution and mitigation services" means a credit monitoring, identity monitoring or other solution selected from the products listed in "information pack" and offered to "notified individuals". The product offered to "notified individuals" will be selected by us in consultation with the "insured organization" and in accordance with the "information pack".

The product offer will be included in the communication provided pursuant to Paragraph **3.** of Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services**.

4. "Business interruption loss" means the total of:

a. "Income loss" and "extra expense" during the "period of restoration"; and

b. "Extended income loss" if the "income loss" during the "period of restoration" is in excess of the applicable retention.

Provided that "business interruption loss" shall not mean and Section **I. INSURING AGREEMENTS, H. Business Interruption Loss** shall not cover any of the following: "loss" arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; "loss" incurred as a result of unfavorable business conditions, loss of market or any other consequential loss; or costs or expenses the "insured organization" incurs to identify and remove software program errors or vulnerabilities.

All "business interruption loss" resulting from multiple covered interruptions or suspensions of "computer systems" that arise out of the same or a continuing "security breach", from related or repeated "security breaches", or from multiple "security breaches" resulting from a failure of "computer security" shall be deemed to be a single "business interruption loss"; provided, however, that a separate "waiting period" shall apply to each "period of restoration".

5. "Call center services" means the provision of a call center to answer calls during standard business hours for a period of 90 days following notification (or longer if required by applicable law or regulation) of an incident for which notice is provided pursuant to Paragraph **3.** of Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services** (Notification Services).

"Call center services" will be provided by a service provider selected by us in consultation with the "insured organization" from the list of service providers in the "information packet".

6. "Claim" means:

a. A written demand received by any "insured" for money or services; including service of a suit or institution of regulatory or arbitration proceedings;

b. With respect to coverage provided under Section **I. INSURING AGREEMENTS, C. Regulatory Defense And Penalties** only, institution of a "regulatory proceeding" against any "insured";

c. A written request or agreement to toll or waive a statute of limitations relating to a potential "claim" described in Paragraph **1.** above; and

d. With respect to coverage provided under Paragraph **1.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** only, a demand received by any "insured" to fulfill the "insured organization's" contractual obligation to provide notice of an incident (or reasonably suspected incident) described in Paragraph **1.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** pursuant to a "breach notice law".

Multiple "claims" arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, or from multiple "security breaches" arising from a failure of "computer security", shall be considered a single "claim" for the purposes of this Coverage Form, irrespective of the number of claimants or "insureds" involved in the "claim". All such "claims" shall be deemed to have been made at the time of the first such "claim".

7. "Claim expenses" means:

a. Reasonable and necessary fees charged by an attorney designated pursuant to Paragraph **A.** of Section **II. DEFENSE AND SETTLEMENT OF CLAIMS**;

b. All other legal costs and expenses resulting from the investigation, adjustment, defense and appeal of a "claim", suit, or proceeding arising in connection therewith, or circumstance which might lead to a "claim", if incurred by us, or by the "insured" with the prior written consent of us; and

c. The premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any "claim" against an "insured" provided that we shall have no obligation to appeal or to obtain bonds.

"Claims expenses" do not include any salary, overhead, or other charges by the "insured" for any time spent in cooperating in the defense and investigation of any "claim" or circumstance that might lead to a "claim" notified under this Coverage Form, or costs to comply with any regulatory orders, settlements or judgments.

8. "Computer expert services" means costs for:

a. A computer security expert to determine the existence and cause of an actual or suspected electronic data breach which may require the "insured organization" to comply with a "breach notice law" and to determine the extent to which such information was accessed by an unauthorized person or persons;

b. A Payment Card Industry (PCI) Forensic Investigator that is approved by the PCI Security Standards Council and is retained by the "insured organization" in order to comply with the terms of a "merchant services agreement" to investigate the existence and extent of an actual or suspect compromise or credit card data; and within our discretion, where a computer security expert described in Paragraph **8.a.** above has not been retained, for a computer security expert to provide advice and oversight in connection with the investigation conducted by the PCI Forensic Investigator; and

c. A computer security expert which amount is part of and not in addition to the combined aggregate limit of coverage for all "computer expert services", "legal services", and "public relations and crisis management expenses" stated in the Declarations to demonstrate the "insureds" ability to prevent a future electronic data breach as required by a "merchant services agreement".

"Computer expert services" will be provided in accordance with the terms and conditions set forth in this Coverage Form and will be provided by a service provider selected by the "insured organization" in consultation with us from the list of service providers in the "information packet".

9. "Computer security" means software, computer or network hardware devices, as well as the "insured organization's" written information security policies and procedures, the function or purpose of which is to prevent "unauthorized access or use", a denial of service attack against "computer systems", infection of "computer systems" by malicious code or transmission of malicious code from "computer systems". "Computer security" includes anti-virus and intrusion detection software, firewalls and electronic systems that provide access control to "computer systems" through the use of passwords, biometric or similar identification of authorized users.

10. "Computer systems" means computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:

a. Operated by and either owned by or leased to the "insured organization"; or

b. With respect to Section **I. INSURING AGREEMENTS A. – G.**, systems operated by a third party service provider and used for the purpose of providing hosted computer application services to the "insured organization" or for processing, maintaining, hosting or storing the "insured organization's" electronic data, pursuant to written contract with the "insured organization" for such services.

11. "Continuity date" means the date stated in the Declarations that coverage was first written with respect to the "named insured" and any "subsidiaries" acquired before such date. Any litigation initiated before this date is not subject to coverage under this Coverage Form even if the allegations were not part of a potentially covered claim.

12. "Control group" means the individuals holding the following positions in the "insured organization":

a. President;

b. Members of the Board of Directors;

c. Executive Officers, including the Chief Executive Office, Chief Operating Officer, and Chief Financial Officer; General Counsel, Chief Information Officer, Chief Security Officer, Chief Privacy Officer;

d. Staff attorneys employed by the "insured organization";

e. Manager of a limited liability company; and

f. Any individual in a substantially similar position or which substantially similar responsibilities as those referenced above.

13. "Cyber extortion loss" means:

a. Any "extortion payment" that has been made under duress by or on behalf of the "insured" with our prior written consent, but solely to prevent or terminate an "extortion threat" and in an amount that does not exceed the covered "damages" and "claims expenses" that would have been incurred had the "extortion payment not been paid;

b. An otherwise covered "extortion payment" that is lost in transit by actual destruction, disappearance or wrongful abstraction while being conveyed by any person authorized by or on behalf of the "insured" to make such conveyance; and

c. Fees and expenses paid by or on behalf of the "insured" for security consultants retained with our prior written approval, but solely to prevent or terminate an "extortion threat".

14. "Damages" means a monetary judgment, award or settlement; provided that the term "damages" shall not include or mean:

a. Future profits, restitution, disgorgement of unjust enrichment or profits by an "insured", or the costs of complying with orders granting injunctive or equitable relief;

b. Return or offset of fees, charges, or commissions charged by or owed to an "insured" for goods or services already provided or contracted to be provided;

c. Any damages which are a multiple of compensatory damages, fines, taxes or loss of tax benefits, sanctions or penalties;

d. Punitive or exemplary damages, unless insurable by law in any applicable venue that most favors coverage for such punitive or exemplary damages;

e. Discounts, coupons, prizes, awards or other incentives offered to the "insured's" customers or clients;

f. Liquidated damages to the extent that such damages exceed the amount for which the "insured" would have been liable in the absence of such liquidated damages agreement; or

g. Any amounts for which the "insured" is not liable, or for which there is no legal recourse against the "insured".

15. "Data asset" means any software or electronic data that exists in "computer systems" and that is subject to regular back up procedures, including computer programs, applications, account information, customer information, private or personal information, marketing information, financial information and any other information maintained by the "insured organization" in its ordinary course of business.

16. "Data protection loss" means:

a. With respect to any "data asset" that is altered, corrupted, destroyed, deleted or damaged the actual, reasonable and necessary costs and expenses incurred by the "insured" to restore a "data asset" from back-ups or from originals or to gather, assemble and recollect such "data asset" from other sources to the level or condition in which it existed immediately prior to its alteration, corruption, destruction, deletion or damage; or

b. With respect to any "data asset" that the "insured" is unable to access, the lesser of the actual, reasonable and necessary costs and expenses incurred by the "insured organization" to:

(1) Regain access to such "data asset"; or

(2) Restore such "data asset" from back-ups or originals or gather, assemble and recollect such "data asset" from other sources, to the level or condition in which it existed immediately prior to the "insureds" inability to access it.

Provided that if such "data asset" cannot reasonably be accessed, restored, gathered, assembled or recollected, then "data protection loss" means the actual, reasonable and necessary costs and expenses incurred by the "insured" to reach this determination.

Provided further that "data protection loss" shall not exceed, and shall not mean, any amount in excess of the amount by which the net profit before income taxes of the "insured" would have decreased had the "insured" failed to restore, gather, assemble or recollect as set forth in sub-paragraphs **16.a.** and **16.b.** above.

A "data protection loss" will be deemed to occur at the time such alteration, corruption, destruction, deletion or damage to or inability to access a "data asset" is first discovered by the "insured". All "data protection loss" that arises out of the same or a continuing "security breach", from related or repeated "security breaches", or from multiple "security breaches" resulting from a failure of "computer security" shall be deemed to be a single "data protection loss".

"Data protection loss" shall not mean, and there shall be no coverage under Section **I. INSURING AGREEMENTS, G. First Party Data Protection** for:

a. Costs or expenses incurred by the "insured" to identify or remediate software program errors or vulnerabilities or update, replace, restore, gather, assemble, reproduce, recollect or enhance a "data asset" or "computer systems" to a level beyond that which existed prior to the alteration, corruption, destruction, deletion or damage of such "data asset";

b. Costs or expenses to research or develop any "data asset", including but not limited to trade secrets or other proprietary information;

c. The monetary value of profits, royalties, or lost market share related to a "data asset", including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of the "data asset";

d. Loss arising out of any liability to any third party for whatever reason; or

e. Legal costs or legal expenses of any type.

17. "Denial of service attack" means an attack intended by the perpetrator to overwhelm the capacity of a "computer system" by sending an excessive volume of electronic data to such "computer system" in order to prevent authorized access to such "computer system".

18. "Extended income loss" means the "income loss" during the "extended interruption period".

19. "Extended interruption period" means the period of time that:

a. Begins on the date and time that the "period of restoration" ends; and

b. Terminates on the date and time the "insured" restores, or would have restored if the "insured" had exercised due diligence and dispatch, the net profit before income taxes that would have been earned by the "insured" directly through its business operations had the actual and necessary interruption or suspension of "computer systems" not occurred;

Provided that in no event shall the "extended interruption period" mean more than or exceed 30 days.

20. "Extortion payment" means cash, marketable goods or services demanded to prevent or terminate an "extortion threat".

21. "Extortion threat" means a threat to breach "computer security" in order to:

a. Alter, destroy, damage, delete or corrupt any "data asset";

b. Prevent access to "computer systems" or a "data asset", including a "denial of service attack" or encrypting a "data asset" and withholding the decryption key for such "data asset";

c. Perpetrate a theft or misuse of a "data asset" on "computer systems" through external access;

d. Introduce "malicious code" into "computer systems" or to third party computers and systems from "computer systems"; or

e. Interrupt or suspend "computer systems";

unless an "extortion payment" is received from or on behalf of the "insured".

Multiple related or continuing "extortion threats" shall be considered a single "extortion threat" for purposes of this insurance and shall be deemed to have occurred at the time of the first such "extortion threat".

22. "Extra expense" means:

a. Reasonable and necessary expenses that are incurred by the "insured" during the "period of restoration" to minimize, reduce or avoid an "income loss", provided that such expenses:

(1) Are over and above those the "insured" would have incurred had no interruption or suspension of the "computer systems" occurred; and

(2) Do not exceed the amount by which the "income loss" in excess of the retention and covered under this insurance is thereby reduced; and

b. "Forensic expenses";

provided that "extra expense" shall not mean, and there shall be no coverage under Section **I. INSURING AGREEMENTS, H. Business Interruption Loss** for expenses incurred by the "insured" to update, upgrade, enhance or replace "computer systems" to a level beyond that which existed prior to the actual and necessary interruption or suspension of "computer systems"; or the costs and expenses incurred by the "insured" to restore, reproduce, or regain access to any "data asset" that was altered, corrupted, destroyed, deleted, damaged or rendered inaccessible as a result of the failure of "computer security" to prevent a "security breach".

23 "Forensic expenses" means reasonable and necessary expenses incurred by the "insured" to investigate the source or cause of the failure of "computer security" to prevent a "security breach".

24. "Income loss" means:

a. The net profit before income taxes that the "insured" is prevented from earning through its business operations or the net loss before income taxes that the "insured" is unable to avoid through its business operations as a direct result of the actual and necessary interruption or suspension of "computer systems"; and

b. Fixed operating expenses incurred by the "insured" (including payroll), but only to the extent that a. such operating expenses must necessarily continue during the "period of restoration" (or Extended Interruption Period, if applicable); and b. such expenses would have been incurred by the "insured" had such interruption or suspension not occurred.

"Income loss" shall be reduced to the extent the "insured" (if applicable) is able, with reasonable dispatch and due diligence, to reduce or limit such interruption or suspension of "computer systems" or conduct its business operations by other means.

In determining "income loss", due consideration shall be given to the prior experience of the "insured's" business operations before the beginning of the "period of restoration" and to the probable business operations the "insured organization" could have performed had no actual and necessary interruption or suspension occurred as result of a failure of "computer security" to prevent a "security breach".

"Income loss" will be calculated on an hourly basis based on the "insured's" net profit (or loss) and fixed operating expenses as set forth above.

25. "Information packet" means the information packet that includes a list of service providers who provide "privacy breach response services."

26. "Insured organization" means the "named insured" and any "subsidiaries" of the "named insured".

27. "Legal services" means fees charged by an attorney:

a. To determine the applicability of and actions necessary for the "insured organization" to comply with "breach notice laws" due to an actual or reasonably suspected theft, loss or "unauthorized disclosure" of "personally identifiable information";

b. To provide necessary legal advice to the "insured organization" in responding to actual or suspected theft, loss or "unauthorized disclosure" of "personally identifiable information"; and

c. To advise the "insured organization" in responding to credit card system operating regulation requirements for any actual or suspected compromise of credit card data that is required to be reported to the "insured organization's" merchant bank under the terms of a "merchant services agreement", but "legal services" does not include fees incurred in any actual or threatened legal proceeding, arbitration or mediation, or any advice in responding to credit card system operating regulation in connection with an assessment of "PCI Fines, Expenses, and Costs".

"Legal services" will be provided in accordance with the terms and conditions set forth in this Coverage Form and will be provided by an attorney selected by the "insured organization" in consultation with us, from the list of attorneys in the "information packet".

28. "Loss" means:

a. "Business Interruption Loss";

b. "Damages";

c. "Claims Expenses";

d. "Cyber Extortion Loss";

e. "Data Protection Loss";

f. "Public Relations and Crisis Management Expenses";

g. "Penalties";

h. "PCI Fines, Expenses and Costs"; and

i. "Privacy Breach Response Services".

29. "Malicious code" means any virus, Trojan horse, worm or any other similar software program, code or script intentionally designed to insert itself into computer memory or onto a computer disk and spread itself from one computer to another.

30. "Management control" means:

a. Owning, directly or indirectly, more than fifty percent (50%) of the outstanding securities, representing the present right to vote for the election of an entity's directors, members of the board of managers, management committee members or persons serving in a functionally equivalent role for such an entity operating or organization outside of the United States; or

b. Having the right, pursuant to a written contract or the bylaws, charter, operating agreement or similar documents of an entity to elect, appoint or designate a majority of:

(1) The Board of Directors of a corporation;

(2) The Management Committee of a joint venture or partnership;

(3) The Management Board of a Limited Liability Company; or

(4) Persons serving in a functionally equivalent role for such an entity operating or organized outside of the United States.

31. "Media material" means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, web-casting, online forum, bulletin board and chat room content, but does not mean computer software or the actual goods, products or services described, illustrated or displayed in such "media material".

32. "Merchant services agreement" means any agreement between an "insured" and a financial institution, credit/debit company, credit/debit card processor or independent service operator enabling an "insured" to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

33. "Notification services" means:

1. Notification by first class mail or e-mail to United States or Canadian residents; and

2. Notification by first class mail or e-mail to individuals residing outside the United States or Canada, but only to the extent reasonably practicable.

"Notification services" will be provided by a service provider selected by us in consultation with the "insured organization" from the list of service providers in the "information packet".

34. "Notified individual" means an individual person to whom notice is given or attempted to be given under Paragraph **3.** of Section **I.B. Privacy Breach Response Services** pursuant to a "breach notice law" as defined in Paragraph **A.2.** of Section **XI. DEFINITIONS**.

35. **"**Optional extension period" means period of time described in Section **VII**. **EXTENSION PERIODS**, Paragraph **B. Optional Extension Period**, wherein this Coverage Form provides extra days after the end of the "policy period" for an "insured" to report a "claim" that occurred during the "policy period".

36. "PCI Fines, Expenses and Costs" means the direct monetary fines, penalties, reimbursements, fraud recoveries or assessments owed by the "insured organization" under the terms of a "merchant services agreement", but only where such fines, penalties, reimbursements, fraud recoveries or assessments result both from the "insured organization's" actual or alleged noncompliance with published Payment Card Industry (PCI) Data Security Standards and from a data breach caused by an incident (or reasonably suspected incident) described in Paragraphs **1.** and **2.** of Section **I.A. Information Security And Privacy Liability**; provided, that the term "PCI Fines, Expenses and Costs" shall not include, or mean any charge backs, interchangeable fees, discount fees or prospective service fees.

37. "Penalties" means:

a. Any civil fine or punitive sum of money payable to a governmental entity that was imposed in a "regulatory proceeding" by the Federal Trade Commission, Federal Communications Commission, or any other federal, state, local or foreign governmental entity, in such entity's regulatory or official capacity; the insurability of "penalties" shall be in accordance with the law in the applicable venue that most favors coverage for such "penalties"; and

b. Amounts which the "insured" is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a "regulatory proceeding"; but shall not include payments to charitable organizations or disposition of such funds other than for payment of consumer claims for losses caused by an event covered pursuant to Paragraphs **1.**, **2.**, or **3.** of Section **I.A. Information Security And Privacy Liability**;

"Penalties" does not mean:

a. Costs to remediate or improve "computer systems";

b. Costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies;

c. Audit, assessment, compliance or reporting costs; or

d. Costs to protect the confidentiality, integrity and/or security of "personally identifiable information" from theft, loss or disclosure.

38. "Period of restoration" means the time period that:

a. Begins on the specific date and time that the actual and necessary interruption or suspension of "computer systems" first occurred; and

b. Ends on the specific date and time that the actual and necessary interruption or suspension of "computer systems" ends, or would have ended had the "insured" acted with due diligence and dispatch;

Provided that in no event shall the "period of restoration" mean more than or exceed 30 days; and provided further that restoration of "computer systems" will not end the "period of restoration" if such systems are actually and necessarily interrupted or suspended again within one hour of such restoration due to the same cause as the original interruption or suspension.

39. "Personally identifiable information" means:

a. Information concerning the individual that constitutes nonpublic personal information as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant the Act;

b. Medical or health care information concerning the individual, including protected health information as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to the Act;

c. Information concerning the individual that is defined as private personal information under statutes enacted to protect such information in foreign countries, for "claims" subject to the law of such jurisdiction;

d. Information concerning the individual that is defined as private personal information under a "breach notice law";

e. Education records as defined by the Family Educational Rights and Privacy Act (FERPA), which are directly related to an individual's attendance as a student; or

f. The individuals drivers' license or state identification number, social security number, unpublished telephone number, and credit, debit, or other financial account numbers in combination with associated security codes, access codes, passwords or pins;

if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individuals financial account or medial record information.

"Personally identifiable information" does not include publicly available information that is lawfully made available to the general public from government records

40. "Policy period" means the period of time between the inception date shown in the "declarations" and the effective date of termination, expiration or cancellation of this insurance and specifically excludes any "optional extension period" or any prior policy period or renewal period.

41. "Privacy breach response services" means the services and coverage provided by Section **I.B. Privacy Breach Response Services**.

42. "Privacy law" means a federal, state or foreign statute or regulation requiring the "insured organization" to protect the confidentiality and/or security of "personally identifiable information".

43. "Privacy policy" means the "insured organization's" public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to "personally identifiable information".

44. "Public relations and crisis management expense" shall mean the following costs approved in advance by us, and which are directly related to mitigating harm to the "insured organization's" reputation or potential "loss" covered by this Coverage Form resulting from an incident described in Paragraphs **1.** and **2.** of Section **I.A. Information Security And Privacy Liability** or from a "public relations event":

a. Costs incurred by a public relations or crisis management consultant;

b. Costs for media purchasing or for printing or mailing materials intended to inform the general public about the incident, such costs to be limited to the amount noted in the Schedule or Declarations Page for Section **I.B. Privacy Breach Response Services**;

c. For incidents or events in which notifications services are not otherwise provided pursuant to Section **I.A. Information Security And Privacy Liability** and **B. Privacy Breach Response Services**, costs to provide notifications and notices via e-mail or first class mail to customers where such notifications are not required by law (voluntary notifications), including non-affected customers of the "insured organization";

d. Costs to provide government mandated public notices related to breach events (including such notifications required under HITECH);

e. Costs to provide services to restore healthcare records of "notified individuals" residing in the United States whose "personally identifiable information" was compromised as a result of theft, loss or "unauthorized disclosure"; and

f. Other costs approved in advance by us.

"Public relations and crisis management expenses" must be incurred no later than 12 months following the reporting of such "claim" or breach event to us and, with respect to Paragraphs **a.** and **b.** above, within 90 days following the first publication of such "claim" or incident. If voluntary notifications are provided, e-mail notification will be provided in lieu of first class mail to the extent practicable.

45. "Public relations event" means the publication or imminent publication in a newspaper (or other general circulation print publication) or on radio, television or a publically accessible website of a covered "claim" under this Coverage Form.

46. "Regulatory proceeding" means a request for information, civil investigative demand or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of the Federal Trade Commission, Federal Communications Commission, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity in connection with such proceeding.

47. "Related party" means the "insured organization" and any past, present or future employees, directors, officers, managers of a limited liability company, partners or natural person independent contractors of the "insured organization".

48. "Retroactive date" means the date set forth in the Declarations.

49. "Security breach" means:

a. "Unauthorized access or use" of "computer systems", including "unauthorized access or use" resulting from the theft of a password from a "computer system" or from any "insured";

b. A denial or service attack against "computer systems" or "computer systems" that are not owned, operated or controlled by an "insured"; or

c. Infection of "computer systems" by malicious code or transmission of malicious code from "computer systems".

A series of continuing "security breaches", related or repeated "security breaches", or multiple "security breaches" resulting from a continuing failure of "computer security" shall be considered a single "security breach" and be deemed to have occurred at the time of the first such "security breach".

50. "Subsidiary" means any corporation, limited liability company, joint venture or partnership while the "named insured" has "management control" over such entity, if the "named insured":

a. had "management control" over such entity on the inception date of this Coverage Form or such entity was an "insured" under a policy issued by the Underwriters of which this Coverage Form is a renewal; or

b. acquires "management control" after the inception date of this Coverage Form:

provided that this Coverage Form only provides coverage for acts, errors, omissions, incidents or events that take place while the "named insured" has "management control" over such entity.

51. "Third party information" means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this Coverage Form which is not available to the general public and is provided to the "insured" subject to a mutually executed written confidentiality agreement or which the "insured organization" is legally required to maintain in confidence; however, "third party information" shall not include "personally identifiable information".

52. "Unauthorized access or use" means the gaining of access to or use of "computer systems" by an unauthorized person or persons or the use of "computer systems" in an unauthorized manner".

53. "Unauthorized disclosure" means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the "insured organization" and is without knowledge of, consent, or acquiescence of any member of the "control group".

54. "Waiting period" means the period of time beginning when the "period of restoration" begins and expiring after the lapse of the number of hours set forth in the Declarations. A "waiting period" shall apply to each "period of restoration".

XII. CONDITIONS APPLICABLE TO PRIVACY BREACH RESPONSE SERVICES AND COVERAGE

A. With respect to Section **I.H. First Party Network Business Interruption**, the "insured" must forward written notice by express mail, email, through our web or mobile app portals, or facsimile to us immediately upon discovery of alteration, corruption, destruction, deletion or damage to or inability to access a "data asset" to which this insurance applies. All covered "data protection loss" must be discovered and reported (in accordance with Section **XIII. PROOF AND APPRAISAL OF LOSS** below) to us no later than six months after the end of the "policy period".

B. Insuring Agreements A., **C.**, **D.**, **G.** and **H.** only apply if:

1. The "insured organization" initiates the notification services described in Paragraph **3.** Section **I.B. Privacy Breach Response Services** as soon as practicable after the "insured's" discovery of the "claim";

2. The "claim" is made against the "insured" no later than two years after the "insured organization" initiates the notification services described in Paragraph **3.** Section **I.B. Privacy Breach Response Services**; and

3. The "insured" reports the "claim" to us in writing as soon as practicable.

XIII. PROOF AND APPRAISAL OF LOSS

A. Proof of Loss. With respect to Section **I.G. First Party Data Protection** and **I.H. First Party Network Business Interruption**, before coverage will apply, the "named insured" must:

1. Prepare and submit to us a written and detailed proof of loss sworn by an officer of the "named insured" within 90 days after the "insured" discovers a "data protection loss" or the "insured organization" sustains a "business interruption loss" (as applicable), but in no event later than six months following the end of the "policy period" (unless such period has been extended by our written consent). Such proof of loss shall include a narrative with full particulars of such "data protection loss" or "business interruption loss", including, the time, place and cause of the "data protection loss" or "business interruption loss", a detailed calculation of any "data protection loss" or "business interruption loss", the "insured organization's" interest and the interest of all others in the property, the sound value thereof and the amount of "data protection loss" or "business interruption loss" or damage thereto and all other insurance thereon; and

2. Upon our request, submit to an examination under oath and provide copies of the underlying documents, data and materials that reasonably relate to or are part of the basis of the claim for such "data protection loss" or "business interruption loss".

The costs and expenses of preparing and submitting a proof of loss, and establishing or proving "data protection loss", "business interruption loss" or any other "loss" under this insurance shall be the "insured's" obligation, and are not covered under this insurance.

B. Appraisal of Loss. If we do not agree with the "named insured" on the amount of a "loss", each party shall select and pay a qualified and disinterested appraiser or other qualified expert (the "Appraiser") to state the amount of the "loss" or reasonable expenses, and the Appraisers shall choose an umpire. If the Appraisers cannot agree on an umpire, the "named insured" or we may request a judge of a court having jurisdiction to make the selection. Each Appraiser shall submit the amount of the "loss" or reasonable expenses to the umpire, and agreement by the umpire and at least one of the Appraisers as to the amount of a "loss" shall be binding on all Insureds and us. The "named insured" and we will equally share the costs of the umpire and any other costs other than the cost of the Appraisers. This provision shall govern only the appraisal of the amount of a "loss", and shall not control the determination of whether such "loss" is otherwise covered by this insurance. We will still retain and do not waive our rights to deny coverage or enforce any obligation under this insurance.

XIV. RECOVERED PROPERTY

If the "insured" or we recover any property, money or "data assets" after a loss payment is made, the party making the recovery must give prompt notice of the recovery to the other party. If the recovered property is money or other funds, the recovery shall be applied first to any costs incurred by us in recovering the property, second to loss payments made by us, and third to any retention payment made by the "named insured". If property other than money or funds is recovered, then the "named insured" may keep the recovered property and return the loss payment, plus any costs of recovery incurred by us, or keep the loss payment less the costs of recovery incurred by us and transfer all rights in the property to us.

XV. OBLIGATIONS IN THE EVENT OF AN EXTORTION THREAT

A. Insured's Duty of Confidentiality

The "insured" shall use its best efforts at all times to ensure that knowledge regarding the existence of this insurance for "cyber extortion loss" afforded by this insurance is kept confidential. We may terminate the insurance provided by this Coverage Form for "cyber extortion loss" upon ten days written notice to the "named insured" if the existence of insurance for "cyber extortion loss" provided by this insurance becomes public knowledge or is revealed to a person making an "extortion threat" through no fault of ours.

B. Insured Organization's Obligation to Investigate Extortion Threat and Avoid or Limit Extortion Payment

Prior to the payment of any "extortion payment", the "insured" shall make every reasonable effort to determine that the "extortion threat" is not a hoax, or otherwise not credible. The "insured" shall take all steps reasonable and practical to avoid or limit the payment of an "extortion payment".

C. Conditions Precedent

As conditions precedent to this insurance for "cyber extortion loss" under the terms of this insurance:

1. Named Insured's Obligation to Demonstrate Duress

The "insured" must be able to demonstrate that the "extortion payment" was surrendered under duress.

2. Notification of Police

The "insured" shall allow us or their representative to notify the police or other responsible law enforcement authorities of any "extortion threat".

XVI. CANCELLATION

A. The "named insured" may only cancel this Coverage Form by mailing to the Company written notice stating when, not less than 30 days thereafter, such cancellation shall be effective.

B. The Company may cancel this Coverage Form for any reason, except non-payment of premium, by mailing or delivering to "named insured" at the address shown in the Declarations, written notice stating when, not less than 30 days thereafter, such cancellation shall be effective. The Company may cancel this Coverage Form for non-payment of premium, by mailing or delivering to the "named insured" at the address shown in the Declarations, written notice stating when, not less than ten days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation as stated in the notice shall become the end of the "Policy Period". Delivery of such written notice shall be equivalent to mailing.

C. If this Coverage Form is cancelled, the Company will send the "named insured" any unearned premium refund due. If the Company cancels, the refund will be pro rata. Refund premium adjustments may be made at the time cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

If the "named insured" cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund. However, premium shall be deemed fully earned if any "claim" under this Coverage Form is reported to the Company on or before the date of cancellation.

XVII. NONRENEWAL

If the Company decides not to renew this Coverage Form, the Company will mail or deliver to the first "named insured" shown in the Declarations, written notice of the non-renewal not less than 60 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient notice of non-renewal.

CONDOMINIUM PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning.

Refer to Section H - Property Definitions.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. COVERED PROPERTY

Covered Property, used in this policy, means they type of property as described in this section, **A.1.**, and limited in **A.2.**,Property Not Covered if a limit of Insurance is shown in the Declarations for that type of property.

a. Building and structure described in the Declarations, including:

(1) Completed additions;
(2) Fixtures outside of individual units, including outdoor fixtures;
(3) Permanently installed:

(a) Machinery; and
(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including;

(a) Fire extinguishing equipment;
(b) Outdoor furniture;
(c) Floor coverings; and
(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure;
(b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and

But Buildings does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(4)** above.

b. Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

(1) Personal property owned by you or owned indivisibly by all unit-owners;
(2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;

 Includes Copyright Material, Insurance Services Office, Ins., with their permission.

(3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.
(4) Electronic Data Processing Equipment (Hardware), including:

(a) 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

Except as described in **(5)** below.

(5) Electronic Media and Records (including Software), including:

(a) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
(b) Data stored on such media; and
(c) Programming records used for electronic data processing or electronically controlled equipment.

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered below.

This also includes property of others that is in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b)**.

2. PROPERTY NOT COVERED

Covered Property does not include:

a. Any of the following types of property contained within a unit:

(1) Fixtures, improvements and alternations that are part of the building structure;
(2) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping; and
(3) Any other personal property owned by, used by or in the care, custody or control of a unit-owner.

b. Aircraft, automobiles, motorcycles and other vehicles subject to motor vehicle registration;
c. "Money" or "securities" except as provided in the:

(1) Money and Securities Optional Coverage; or
(2) Employee Dishonesty Optional Coverage;

d. Contraband, or property in the course of illegal transportation or trade;
e. Land (including land on which the property is located), water, growing crops or lawns;
f. Fences, walls, walks, driveways and pools, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except provided in the:

(1) Outdoor Property Coverage Extension; or
(2) Outdoor Signs Optional Coverage;
(3) Specified Property Optional Coverage;

g. Watercraft (including motors, equipment and accessories while afloat.
h. Property held as samples, held for rental or sale or that you rent to others;
i. Electronic data processing equipment which is permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration; or
j. Accounts, bills, evidences of debt and "valuable papers and records". However such property is Covered Property in its "converted data" form.

3. COVERED CAUSES OF LOSS

Risks of Direct Physical Loss unless the loss is:

a. Excluded in Section **B.**, Exclusions; or
b. Limited in Paragraph **A.4.**, Limitations; that follow:

4. LIMITATIONS

a. We will not pay for loss of or damage to:

(1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for the loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
(2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
(3) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. This limitation does not apply to the Optional Coverage for Money and Securities.
(4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

b. With respect to glass (other than glass building blocks) that is part of the interior of a building or structure, or part of the interior of an outdoor sign, we will not pay more than $500 for the total of all loss or damage in any one occurrence. Subject to the $500 limit on all loss or damage, we will not pay more than $100 for each plate, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter.

This Limitation does not apply to loss or damage by the "specified causes of loss", except vandalism.

c. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:

(1) Glass that is part of the interior of a building or structure;
(2) Containers of property held for sale; or
(3) Photographic or scientific instrument lenses.

d. For loss or damage by theft, the following types of property are covered only up to the limits shown:

(1) $2,500 for furs, fur garments and garments trimmed with fur.
(2) $2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth $100 or less per item.
(3) $2,500 for patterns, dies, molds and forms.

5. ADDITIONAL COVERAGES

a. Debris Removal

(1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

(a) The date of direct physical loss or damage; or
(b) The end of the policy period.

(2) The most we will pay under this Additional Coverage is 25% of:

(a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
(b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in Paragraph **(4)** below.

(3) This Additional Coverage does not apply to costs to:

(a) Extract "pollutants" from land or water; or
(b) Remove, restore or replace polluted land or water.

(4) If:

(a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
(b) The debris removal expense exceeds the amount payable under the 25% Debris Removal Coverage limitation in Paragraph **(2)** above;

We will pay up to an additional $10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and
(2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $1,000 for your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss; or
(2) Required by local ordinance.

d. Collapse

(1) With respect to buildings:

(a) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;

(b) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;

(c) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;

(d) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

(2) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this policy, if the collapse is caused by one or more of the following:

(a) The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;

(b) Weight of people or personal property;

(c) Weight of rain that collects on a roof;

(d) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in Paragraphs **(a)** through **(c),** we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation contributes to the collapse.

The criteria set forth in Paragraphs **(1)(a)** through **(1)(d)** do not limit the coverage otherwise provided under this Additional Coverage for the causes of loss listed in Paragraphs **(2)(a), (2)(c)** and **(2)(d)**.

(3) With respect to the following property:

(a) Awnings;

(b) Gutters and downspouts;

(c) Yard fixtures;

(d) Outdoor swimming pools;

(e) Piers, wharves and docks;

(f) Beach or diving platforms or appurtenances;

(g) Retaining walls; and

(h) Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in Paragraphs **(2)(b)** through **(2)(d),** we will pay for loss or damage to that property only if such loss or damage is a direct result of the collapse of a building insured under this policy and the property is Covered Property under this policy.

(4) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

(a) The collapse was caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(d)** of this Additional Coverage;

(b) The personal property which collapses is inside a building; and

(c) The property which collapses is not of a kind listed in Paragraph **(3)** above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **(4)** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

(5) This Additional Coverage, Collapse, will not increase the Limits Of Insurance provided in this policy.

e. Association Fees and Extra Expense

(1) Association Fees

(a) We will pay for Association fees you have been unable, after reasonable effort, to collect from any unit owner(s) whose unit(s) has been rendered uninhabitable due to direct physical loss or damage caused by or resulting from any Covered Cause of Loss.
We will only pay for loss of Association Fees that you sustain during the "period of restoration" and occurs within 12 consecutive months after the date of direct physical loss or

damage.

(b) Association Fees means:

All monthly expenses charged to condominium unit owners by the Association for the maintenance and upkeep of condominium units and common areas.

(2) Extra Expense

(a) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss.

(b) Extra Expense means expense incurred:

(i) To avoid or minimize the suspension of business and to continue "operations":

i. At the described premises; or
ii. At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

(ii) To minimize the suspension of business if you cannot continue "operations".

(iii) To:

i. Repair or replace any property; or
ii. Research, replace or restore the lost information on damaged "valuable papers and records".

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

This Additional Coverage is subject to the Limit of Insurance shown for Association Fees and Extra Expense in the Declarations.

f. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

(1) The date of direct physical loss or damage; or
(2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is $10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

g. Money Orders and Counterfeit Paper Currency

We will pay for loss due to the good faith acceptance of:

(1) Any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
(2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

The most we will pay for any loss under this Additional Coverage is $1,000.

h. Forgery And Alteration

(1) We will pay for loss resulting directly from forgery or alternation of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent

has issued, or that was issued by someone who impersonates you or your agent.

(2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

(3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is $2,500.

i. Ordinance Or Law Coverage

(1) Coverage 1 - Coverage for Loss to the Undamaged Portion of the building or structure

If a Covered Cause of Loss occurs to covered building or structure property, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building or structure as a consequence of enforcement of any ordinance or law that:

(a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;

(b) Regulates the construction or repair of buildings or structures, or establishes zoning or land use requirements at the described premises; and

(c) Is in force at the time of loss.

However:

We will not pay for the Increased Cost of Construction:

(a) Until the property is actually repaired or replaced, at the same or another premises; and

(b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years.

We may extend this period in writing during the two years.

If the building or structure 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.

If the ordinance or law required relocation to another premises, the most we will pay for Increased Cost of Construction is the increased cost of construction at the new premises.

Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building or structure property. Coverage 1 does not increase the Limit of Insurance.

(2) Coverage 2 - Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered building or structure property, we will pay the cost to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

Paragraph **E.6.d.** of the Property Loss Conditions does not apply to Demolition Cost Coverage.

(3) Coverage 3 - Increased Cost of Construction Coverage

If a Covered Cause of Loss occurs to the covered Building or structure property, we will pay for the increased cost to:

(a) Repair or reconstruct damaged portions of that building or structure property; and/or

(b) Reconstruct or remodel undamaged portions of that building or structure property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

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

Paragraph **E.6.d.** of the Property Loss Conditions does not apply to the Increased Cost of Construction Coverage.

(4) This Additional Coverage applies only to building or structure property insured on a replacement cost basis.
(5) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building or structure was undamaged; and
(b) You failed to comply with.

(6) Under this Additional Coverage, we will not pay 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".
(7) The most we will pay under this Additional Coverage, for each described building or structure insured under this Coverage Form, is the Ordinance or Law Coverage Limit of Insurance shown in the Declarations.
(8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
(9) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **I.(6)** of this Additional Coverage, is not subject to such limitation.

j. Exterior Building Glass

(1) We will pay for direct physical loss of or damage to glass, including lettering or ornamentation, that is part of the exterior of a covered building or structure at the described premises. The glass must be owned by you, or owned by others but in your care, custody or control. We will also pay for necessary:

(a) Expenses incurred to put up temporary plates or board up openings;
(b) Repair or replacement of encasing frames; and
(c) Expenses incurred to remove or replace obstructions.

(2) Paragraph **A.3.**, Covered Causes of Loss and Section **B.**, Exclusions do not apply to this Additional Coverage, except for:

(a) Paragraph **B.1.a.**, Earth Movement;
(b) Paragraph **B.1.b.**, Governmental Action;
(c) Paragraph **B.1.c.**, Nuclear Hazard;
(d) Paragraph **B.1.e.**, War And Military Action; and
(e) Paragraph **B.1.f.**, Water.

(3) We will not pay for loss or damage caused by or resulting from:

(a) Wear and tear;
(b) Hidden or latent defect;
(c) Corrosion; or
(d) Rust.

(4) The most we pay under this Additional Coverage is the building Limit of Insurance shown in the Declarations.

k. Crime Conviction Reward

We will pay a crime conviction reward to a person or persons (not to include the Named Insured or any person responsible in any way for the subject crime) providing information which leads to a conviction in connection with a loss or damage covered by this policy.
The amount of the reward will be equal to the amount of the covered loss, however, in no event will the amount of the reward exceed $5,000 for any one occurrence.

This limit applies per occurrence regardless of the number of persons providing information.

No deductible applies to this Additional Coverage.

l. Master Key Coverage

We will pay up to the limits shown in the Declarations for the necessary replacement of locks and keys when a key is lost or stolen.

No deductible applies to this Additional Coverage.

m. Fire Extinguisher Recharge

We will pay up to $2,500 per occurrence for the necessary costs to recharge or replace (whichever is less) fire extinguishers owned by the insured that are discharged as a result of extinguishing a covered fire which occurs at a location shown in the Declarations.

No deductible applies to this Additional Coverage.

6. COVERAGE EXTENSIONS

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as provided below.

a. Newly Acquired or Constructed Property

(1) Your new buildings or structures while being built on the described premises; and
(2) Buildings or structures you acquire at locations, other than the described premises, intended for similar use as the building or structure described in the Declarations.

Coverage under this Extension for each newly acquired or constructed building or structure will end upon the first to occur of the following:

(a) This policy expires or is terminated;
(b) The thirtieth day after you acquire or begin to construct the property; or
(c) You request that the subject building or structure be covered under the policy.

We will charge you additional premium from the date construction begins or you acquire the property.

The most we will pay for loss or damage under this Extension is $250,000.

Deductible:

The deductible applicable to and shown on the Declarations for Building and Structure applies to each loss under this endorsement.

b. Personal Property At Newly Acquired Premises

You may extend the insurance that applies to Business Personal Property to apply to that property at any premises you acquire.

The most we will pay for loss or damage under this Extension is $100,000.

Insurance under this Extension for each newly acquired premises will end when any of the following first occurs:

 Includes Copyright Material, Insurance Services Office, Ins., with their permission.

(1) This policy expires;
(2) 30 days expire after you acquire or begin construction at the new premises; or
(3) You report values to us.

Deductible:

The deductible applicable to and shown on the Declarations for Business Personal Property applies to each loss under this Extension.

We will charge you additional premium for values reported from the date you acquire the premises.

c. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records" or accounts receivable:

(1) While it is in the course of transit or temporarily at a premises you do not own, lease or operate for not more than 90 days.
(2) Including duplicate or back-up electronic media and records that are stored at a separate location which is at least 100 feet from the premises described in the Declarations as applying to electronic media and records.

The most we will pay for loss or damage under this Extension is $5,000.

d. Outdoor Property

You may extend the insurance provided by this policy to apply to your radio and television antennas (including satellite dishes), signs (other than signs attached to building), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

(1) Fire;
(2) Lightning;
(3) Explosion;
(4) Riot or Civil Commotion; or
(5) Aircraft.

The most we will pay for loss or damage under this Extension is the Limit of Insurance shown in the Declarations for Outdoor Property, but not more than $500 for any one tree, shrub or plant.

e. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or your employees. This extension does not apply to:

(1) Tools or equipment used in your business; or
(2) Loss or damage by theft.

The most we will pay for loss or damage under this Extension is $2,500 at each described premises.

f. "Valuable Papers And Records"

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss.

This Coverage Extension includes the cost to research lost information on "valuable papers and records" for which duplicates do not exist.

(2) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is $5,000, unless a higher Limit of Insurance for "valuable papers records" is shown in the Declarations.

 Includes Copyright Material, Insurance Services Office, Ins., with their permission.

For "valuable papers and records" not at the described premises, the most we will pay is $2,500.

(3) Section B. Exclusions of this Coverage Form does not apply to this Coverage Extension except for:

(a) Paragraph **B.1.b.**, Government Action;
(b) Paragraph **B.1.c.**, Nuclear Hazard;
(c) Paragraph **B.1.e.**, War And Military Action;
(d) Paragraph **B.2.f.**, Dishonesty;
(e) Paragraph **B.2.g.**, False Pretense;
(f) Paragraph **B.3.**, and
(g) The Accounts Receivable and "Valuable Papers and Records" Exclusions.

g. Accounts Receivable

(1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable.

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 re-establish 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 Coverage Extension for loss or damage in any one occurrence at the described premises is $5,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is $2,500.

(3) Section **B.** Exclusions of this Coverage Form does not apply to this Coverage Extension except for:

(a) Paragraph **B.1.b.**, Government Action;
(b) Paragraph **B.1.c.**, Nuclear Hazard;
(c) Paragraph **B.1.e.**, War And Military Action;
(d) Paragraph **B.2.f.**, Dishonesty;
(e) Paragraph **B.2.g.**, False Pretense;
(f) Paragraph **B.3.**; and
(g) The Accounts Receivable and "Valuable Papers And Records" Exclusions.

h. Mechanical Breakdown of Electronic Data Processing Equipment

We will pay for loss or damage to Covered Property due to mechanical breakdown if such loss or damage exceeds in any one occurrence the applicable deductible shown in the Declarations.

We will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Covered Property.

This Coverage Extension is included within the Limit of Insurance applying to Electronic Data Processing Equipment at the described premises.

The Electrical Apparatus Exclusion **B.1.d, B.2.a., B.2.c., B.2.d., B.2.i., B.2.k.(3),(4),** and **(5)** and **B.3.b.** does not apply to this Coverage Extension.

i. Artificially Generated Electrical Current

We will pay for loss or damage to Electronic Data Processing Equipment due to artificially generated

electrical current if such loss or damage is caused by or results from:

(1) An occurrence that took place within 100 feet of the described premises; or
(2) Interruption of electronic power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

If such loss or damage as specified above, exceeds in any one occurrence the applicable deductible shown in the Declarations, we will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Equipment.

This Coverage Extension is included within the Limit of Insurance applying to Electronic Data Processing Equipment at the described Location.

The Electrical Apparatus Exclusion **B.1.d., B.2.a., B.2.c., B.2.d., B.2.i., B.2.k.(3), (4),** and **(5)** and **B.3.b.** does not apply to this Coverage Extension.

B. EXCLUSIONS

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

a. Earth Movement

(1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.
(2) Volcanic eruption, explosion or effusion.

But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

(a) Airborne volcanic blast or airborne shock waves;
(b) Ash, dust, or particulate matter; or
(c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

b. Government Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

c. Nuclear Hazard

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

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

d. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

e. War And Military Action

(1) War, including undeclared or civil war;
(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

f. Water, Mudslide Or Mudflow

(1) We will not pay for loss or damage caused directly or indirectly by any of the following:

(a) Water, in any form; or
(b) Mudslide or mudflow;

Such loss or damage is excluded (including all resulting loss or damage, not limited to rust, wet or dry rot or fungi) regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

(2) However, we will pay for loss or damage, not otherwise excluded, but not for any other resulting damage, caused by:

(a) Sudden and accidental discharge or leakage of water or steam as a direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam. We will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or steam escapes.

We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

(i) Results in discharge of any substance from an automatic fire protection system; or
(ii) Is directly caused by freezing.

(b) Water damage to the interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, if:

(i) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
(ii) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

(c) Water, other liquids, powder, molten material leaking or flowing from plumbing, heating, air conditioning or other equipment caused by or resulting from freezing, only if:

(i) You have taken all necessary measures to maintain heat in the building or structure; or
(ii) You drain the equipment and shut off the supply if the heat is not maintained.

(d) Hail damage to the exterior of the building or structure.

(e) Water when used to suppress fire.

We will not pay for loss or damage caused by **(2)(a)**, **(b)**, **(c)** occurring over a period of 14 days or more.

But if loss or damage causes fire or explosion, we will pay for the loss or damage caused by the fire or explosion.

g. Asbestos

(1) Loss or damage arising out of, resulting from, caused by, contributed to or aggravated by asbestos or exposure to asbestos;
(2) Any loss, cost, expense, request, demand, order, claim or suit to test for, monitor, clean up, remove, abate, mitigate, contain, treat, detoxify, neutralize, dispose of or in any way respond to or assess the effects of asbestos or exposure to asbestos.
(3) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
(4) Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Electrical Apparatus

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

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

d. Steam Apparatus

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

e. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others;
(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees, but theft by employees is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

f. False Pretense

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

g. Exposed Property

Rain, snow, ice or sleet to personal property in the open.

h. Collapse

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a

Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

i. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

j. Other Types of Loss

(1) Wear and tear;
(2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
(3) Smog;
(4) Settling, cracking, shrinking or expansion;
(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or
(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, which is part of, or used with the electronic data processing equipment.
(b) Marring or scratching.

But if an excluded cause of loss that is listed in **B.2.j.(1)** through **B.2.j.(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.

3. We will not pay for loss or damage caused by or resulting from any of the following **B.3.a.** through **B.3.c.** But if an excluded cause of loss that is listed in **B.3.a.** through **B.3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather Conditions

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1 above to produce the loss or damage.

b. Acts or Decisions

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Negligent Work

Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;
(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
(3) Materials used in repair, construction, renovation or remodeling; or
(4) Maintenance;

of part or all of any property on or off the described premises.

4. Accounts Receivable And "Valuable Papers And Records" Exclusions

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers And Records" Coverage Extensions:

a. We will not pay for loss or damage caused by or resulting from electrical or magnetic injury disturbance or erasure of electronic recordings that is caused by or results from:

(1) Programming errors or faulty machine instructions;
(2) Faulty installation or maintenance of data processing equipment or component parts;

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

b. Applicable to "Valuable Papers and Records" only:

We will not pay for loss or damage caused by or resulting from any of the following:

(1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.
(2) Wear and tear, gradual deterioration or latent defect.

c. Applicable to Accounts Receivable only:

We will not pay for:

(1) Loss or damage 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.

(2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
(3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

5. Electronic Data Processing Equipment and Media

We will not pay for loss or damage caused by or resulting from any of the following:

a. Human errors or omissions in processing, recording or storing information on electronic media and records and electronic data processing equipment.

But we will pay for direct loss or damage caused by resulting fire or explosion.

b. Electrical or magnetic injury, disturbance or erasure of electronic recordings, except as provided for under Coverage Extensions.

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

c. Failure, breakdown or malfunction of electronic media and records and electronic data processing equipment, including parts, while the media is being run through the equipment.

But we will pay for direct loss or damage caused by resulting fire or explosion.

d. Installation, testing, repair or other similar service performed upon the electronic data processing media and records or electronic data processing equipment, including parts.

C. LIMITS OF INSURANCE

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. The most we will pay for loss of or damage to outdoor signs attached to buildings is $1,000 per sign in any one occurrence.
3. The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.
4. Building Limit - Automatic Increase

a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.
b. The amount of increase will be:

(1) The building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the building limit, times
(2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the building limit, divided by 365.

Example:

If: the applicable Building limit is $100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is $100,000 x .08 x 146 Divided By 365 = $3,200.

D. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages and the Additional Coverage - Exterior Building Glass in any one occurrence is the Optional Coverage/Building Glass Deductible shown in the Declarations:

a. Money and Securities;
b. Employee Dishonesty;
c. Interior Glass; and
d. Outdoor Signs.

But this Optional Coverage/Exterior Building Glass Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

3. No deductible applies to the following Additional Coverages:

a. Fire Department Service Charge;
b. Extra Expense; and
c. Association Fees

E. PROPERTY LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and
b. Bear the other expenses of the appraisal and empire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

(1) Notify the police if a law may have been broken.
(2) Give us prompt notice of the loss or damage. Include a description of the property involved.
(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 day after our request. We will supply you with the necessary forms.
(8) Cooperate with us in the investigation or settlement of the claim.
(9) Resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured sbooks and records. In the event of an examination, an insured sanswers must be signed.

4. Legal Action Against Us

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

a. There has been full compliance with all of the terms of this insurance; and
b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Loss Payment

In the event of loss or damage covered by this policy:

a. At our option, we will either:

(1) Pay the value of lost or damaged property;
(2) Pay the cost of repairing or replacing the lost or damaged property;
(3) Take all or any part of the property at an agreed or appraised value, or
(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **d.(1)(e)** below.

b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
c. We will not pay you more than your financial interest in the Covered Property.
d. Except as provided in (2) through (8) below, we will determine the value of Covered Property as follows:

(1) At the replacement cost without deduction for depreciation, subject to the following:

(a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost of repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:

(i) The Limit of Insurance under this policy that applies to the lost or damaged property;
(ii) The cost to replace, on the same premises, the lost or damaged property with other

property:

i. Of comparable material and quality; and
ii. Used for the same purpose; or
iii. The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

(b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:

(i) The actual cash value of the lost or damaged property; or
(ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and with deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.

(c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement coast basis if you notify us of your intent to do so within 180 days after the loss or damage.
(d) We will not pay on a replacement cost basis for any loss or damage:

(i) Until the lost or damaged property is actually repaired or replaced; and
(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

(e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

(2) If the "Actual Cash Value - Buildings" option applies, as shown in the declarations, Paragraph **(1)** above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
(3) The following property at actual cash value:

(a) Used or second-hand merchandise held in storage or for sale;
(b) Property of others, but this property is not covered for more than the amount for which you are liable, plus the coast of labor, materials or services furnished or arranged by you on personal property of others;
(c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
(d) Manuscripts;
(e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

(4) Glass at the cost of replacement with safety glazing material if required by law.
(5) "Valuable papers and records", including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:

(a) Blank materials for reproducing the records; and
(b) Labor to transcribe or copy the records.

This condition does not apply to "valuable papers and records" and electronic media and records that are actually replaced or restored.

(6) Applicable only to the Optional Coverages:

(a) "Money" at its face value; and
(b) "Securities" at their value at the close of business on the day the loss is discovered.

(7) Applicable only to Accounts Receivable:

(a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

(i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
(ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

(b) The following will be deducted from the total amount of accounts receivable, however that amount is established:

(i) The amount of the accounts for which there is no loss or damage;
(ii) The amount of the accounts that you are able to re-establish or collect;
(iii) An amount to allow for probable bad debts that you are normally unable to collect; and
(iv) All unearned interest and service charges.

e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners property. We will not pay the owners more than their financial interest in the Covered Property.

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

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and

(1) We have reached agreement with you on the amount of loss; or
(2) An appraisal award has been made.

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

7. Resumption of Operations

We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

8. VACANCY

a. Description of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant sinterest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more if its total square footage:

(i) Is not rented; or
(ii) Is not used to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;
(b) Sprinkler leakage, unless you have protected the system against freezing;
(c) Building glass breakage;
(d) Water damage;
(e) Theft; or
(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

F. PROPERTY GENERAL CONDITIONS

1. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

2. Mortgageholders

a. The term "mortgageholder" includes trustee.
b. We will:

(1) If the condominium is terminated, pay for covered loss of, or damage to, buildings or structures to each mortgageholder shown on the Declarations in their order of precedence, as interests may appear.
(2) In all other respects, pay for loss to buildings or structures to you or the designated insurance trustee in accordance with the Loss Payment Loss Condition contained in this Coverage Form.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this policy at our request if you have failed to do so;
(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

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

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

your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least 30 days before the effective date of cancellation.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 30 days before the expiration date of this policy.

3. No Benefit To Bailee

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

4. Policy Period, Coverage Territory

Under this form:

a. We cover loss or damage commencing:

(1) During the policy period shown in the Declarations; and
(2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

b. The coverage territory is:

(1) The United States of America (including its territories and possessions);
(2) Puerto Rico; and
(3) Canada.

G. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages also apply. These Coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Specified Property

a. We will pay for direct physical loss of or damage to fences, walls, walks, driveways and pools at the described location.

b. The most we will pay for this Optional Coverage is the Limit of Insurance shown in the Declarations for Specified Property.

2. Outdoor Signs

a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

(1) Owned by you; or
(2) Owned by others but in your care, custody or control.

b. Paragraph **A.3.**, Covered Causes of Loss, and Section **B.**, Exclusions, do not apply to this Optional Coverage, except for:

(1) Paragraph **B.1.b.**, Government Action;
(2) Paragraph **B.1.c.**, Nuclear Hazard; and
(3) Paragraph **B.1.e.**, War and Military Action.

c. We will not pay for loss or damage caused by or resulting from:

(1) Wear and tear;
(2) Hidden or latent defect;
(3) Rust;
(4) Corrosion; or
(5) Mechanical breakdown.

d. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.

e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

3. Interior Glass

a. We will pay for direct physical loss of or damage to items of glass that are permanently affixed to the interior walls, floors or ceilings of a covered building or structure at the described premises, provided each item is:

(1) Described in the Declarations as covered under this Optional Coverage; and
(2) Located in the basement or ground floor level of the building or structure, unless the Declarations show that this Optional Coverage is applicable to interior glass at all floors; and
(3) Owned by you, or owned by others but in your care, custody or control.

b. We will also pay for necessary:

(1) Expenses incurred to put up temporary plates or board up openings;
(2) Repair or replacement of encasing frames; and
(3) Expenses incurred to remove or replace obstructions.

c. Paragraph **3.**, Covered Causes of Loss, and Section **B.**, Exclusions, do not apply to this Optional Coverage, except for:

(1) Paragraph **B.1.b.**, Government Action;
(2) Paragraph **B.1.c.**, Nuclear Hazard; and
(3) Paragraph **B.1.e.**, War and Military Action.

d. We will not pay for loss or damage caused by or resulting from:

(1) Wear and tear;
(2) Hidden or latent defect;
(3) Corrosion; or
(4) Rust.

e. This Optional Coverage supersedes all limitations in this policy that apply to interior glass.

4. Money And Securities

a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

(1) Theft, meaning any act of stealing;
(2) Disappearance; or
(3) Destruction.

b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

(1) Resulting from accounting or arithmetical errors or omissions;
(2) Due to the giving or surrendering of property in any exchange or purchase; or
(3) Of property contained in any "money"- operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

c. The most we will pay for loss in any one occurrence is:

(1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:

(a) In or on the described premises; or
(b) Within a bank or saving institution; and

(2) The limit shown in the Declarations for Outside the Premises for "money" and "securities"

while anywhere else.

d. All loss:

(1) Caused by one or more persons; or
(2) Involving a single act or series of related acts;

is considered one occurrence.

e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

5. Employee Dishonesty

a. We will pay for direct loss of or damage to Business Personal Property and "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 partner) with the manifest intent to:

(1) Cause you to sustain loss or damage; and also
(2) 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:

(a) Any employee; or
(b) Any other person or organization.

b. We will not pay for loss or damage:

(1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
(2) The only proof of which as to its existence or amount is:

(a) An inventory computation; or
(b) A profit and loss computation.

c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
d. All loss or damage.

(1) Caused by one or more persons; or
(2) Involving a single act or series of related acts;

is considered one occurrence.

e. 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 accumulates from year to year or period to period.
f. This Optional Coverage does not apply to any employee immediately upon discovery by:

(1) You; or
(2) Any of your partners, officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

g. We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
h. If you (or any predecessor in interest) sustained loss or damage 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 Optional Coverage, provided:

(1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
(2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

i. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

(1) This Optional Coverage as of its effective date; or
(2) The prior insurance had it remained in effect.

j. With respect to coverage provided under this Optional Coverage, "employee" means any natural person who receives compensation for working in your regular service in the ordinary course of your business.

"Employee" also includes your directors, officers, whether compensated or not.

"Employee" does not include any broker, consignee, contractor (such as property management company) or other agent or representative of the same general character.

Employee Dishonesty coverage does not apply when your directors, officers and Association managers are performing duties outside the scope of their normal duties as directors, officers or Association managers for the Named Insured.

H. PROPERTY DEFINITIONS

1. "Money" means:

a. Currency, coins and bank notes in current use and having a face value; and
b. Travelers checks, register checks and money orders held for sale to the public.

2. "Operations" means your business activities occurring at the described premises.

3. "Period of restoration" means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
(2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any COVERED CAUSE OF LOSS at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
(2) The date when business is resumed at a new permanent location.

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

(a) Regulates the construction, use or repair, or requires the tearing down of any property; or
(b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

6. "Specified Causes of Loss" means the following:

Fire; lightning; explosion; windstorm; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse, volcanic action; falling objects; weight of snow, ice or sleet.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

(1) The cost of filling sinkholes; or
(2) Sinking or collapse of land into manmade underground cavities.

b. Falling objects does not include loss of or damage to:

(1) Personal property in the open; or
(2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

7. "Valuable papers and records" means inscribed, printed, or written:

a. Documents;
b. Manuscripts; and
c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean:

d. "Money" or "Securities";
e. Converted Data;
f. Programs or instructions used in your data processing operations, including the materials on which the data is recorded.

8. "Converted data" means information that is stored on electronic media, that is capable of being communicated, processed or interpreted by electronic data processing equipment.

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FARMERS INSURANCE

J6353
1st Edition

CHANGE TO LIMITS OF INSURANCE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

The following provision replaces D.1.

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought;
   c. Persons or organizations making "claims" or bringing "suits"; or
   d. Policies involved.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

POLICY NUMBER: 60663-38-37

E0104
1st Edition

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS LIABILITY COVERAGE TENANTS LIABILITY

This endorsement modifies insurance provided under the following:

APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE*

Premises:

Tenants Liability Limit Of Insurance (Per Occurrence):

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

With respect to the coverage provided under this endorsement, the applicable Liability Coverage Form is amended as follows:

A. Under **B.1. Exclusions Applicable To Business Liability Coverage,** the paragraph following **q.(15)** of the applicable Liability Coverage Form is deleted and replaced by the following:

With respect to the premises shown in the Schedule of this endorsement which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions **c., d., e., h., i., l., m., n., o.** and **p.** do not apply to "property damage".

B. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is deleted and replaced by the following:

The most we will pay under this endorsement for the sum of all damages because of all "property damage" arising out of any one "occurrence" to premises rented to you or temporarily occupied by you with the permission of the owner is the Tenants Liability Limit of Insurance shown in the Schedule.

C. With respect to the premises shown in the Schedule of this endorsement, Paragraph **D.3.** and Paragraph **D.4.b.** are deleted.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUM ASSOCIATION UNIT COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM

Item **a.** under **A. 2. Property Not Covered** in the CONDOMINIUM PROPERTY COVERAGE FORM is deleted in its entirety. Item **A.1. a. (6)** under **1. Covered Property** is added as follows:

(6) Any of the following types of property contained within a residential unit:

(a) Fixtures, improvements and alterations that are a part of the building or structure; and
(b) Permanently installed appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

However, the most we will pay for loss or damage to the property in Paragraph **(6)(a)** and **(b)** above in any one occurrence is the Limit of Insurance shown in the Declarations for Buildings.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD POISONING AND CONTAMINATION EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY
CONDOMINIUM POLICY

When this endorsement is attached to your policy, the following provisions apply to the applicable **Property** and **Liability Coverage Forms** of your policy.

1. This insurance does not apply to any "bodily injury", "property damage" or "personal and advertising injury" or property loss or damage arising out of, resulting from, caused by or contributed by lead, or any hazardous properties of lead, including, but not limited to, lead poisoning and lead contamination and the threat or fear of lead poisoning or lead contamination.

Lead poisoning includes, but not limited to, actual "bodily injury", "property damage" or "personal and advertising injury" resulting from exposure to, ingestion, of any nature, cause or duration to or of lead, or objects or substances comprised of or containing lead.

Lead contamination includes, but not limited to, the presence of lead in paint, soil, plants, animals, water, pipes, buildings or structures.

For purposes of this exclusion, the definition of "bodily injury" and "personal and advertising injury" is amended to include mental injury, anguish, distress or fear of lead poisoning or lead contamination.

For purposes of this exclusion, the definitions of "property damage" and property loss or damage are amended to include actual or threatened loss of property value, loss of equity, loss of use, loss of rents or other economic injury caused by lead poisoning or lead contamination.

2. We will not for any loss, cost or expense arising out of, resulting from, caused by or contributed to by:

a. The testing or monitoring for, abatement, mitigation, neutralization, removal or disposal of lead, lead compounds or materials containing lead;

b. The testing or monitoring for or treatment of lead poisoning or lead contamination in humans or animals;

c. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with lead poisoning or lead contamination;

d. Any obligation to share damages with or repay someone else who must pay damages in connection with lead poisoning or lead contamination.

THIS ENDORSEMENT CHANGES THEPOLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J7222
1st Edition

MARIJUANA EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY
CONDOMINIUM POLICY

A. The applicable Property Coverage Form is amended as follows:

1. The following is added to Paragraph **A.2. PROPERTY NOT COVERED:**

a. "Marijuana".

2. Coverage under this Policy does not apply to that part of Business Income or Association Fees loss, or Extra Expense incurred due to a suspension of your "operations" which involve the design, cultivation, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana".

3. Paragraphs **A.1.** and **A.2.** above do not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:

a. Ingestion;

b. Inhalation;

c. Absorption; or

d. Consumption.

B. The following exclusion is added to the applicable Liability Coverage Form:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:

a. The design, cultivation, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana";

b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "marijuana"; or

2. "Property damage" to "marijuana".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others.

However, this exclusion does not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:

a. Ingestion;

b. Inhalation;

c. Absorption; or

d. Consumption.

C. For the purposes of this endorsement, the following definition is added:

"Marijuana":

1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC), Cannabidiol (CBD) or any other cannabinoid, regardless of whether any such cannabinoid is natural or synthetic.

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2. Paragraph **C.1.** above includes, but is not limited to, any of the following containing such cannabinoid:

a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

b. Any compound, byproduct, extract, derivative, mixture or combination, such as, but not limited to:

(1) Resin, oil or wax;

(2) Hash or hemp; or

(3) Infused liquid or edible marijuana;

whether derived from any plant or part of any plant set forth in Paragraph **C.2.a.** above or not.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

E0224
4th Edition

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS COVERAGE FORM
CONDOMINIUM COVERAGE FORM

SCHEDULE

Location No.	Windstorm or Hail Deductible Percentage
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, applies to loss of damage to Covered Property caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and therefore part of a Windstorm or Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

The Windstorm or Hail Deductible applies whenever there is an occurrence of Windstorm or Hail.

WINDSTORM OR HAIL DEDUCTIBLE CLAUSE

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage shown in the Schedule of the Limit(s) of Insurance applicable to the property that has sustained loss or damage. This Deductible is calculated separately for, and applies separately to:

1. Each building or structure that sustains loss or damage;

2. The building or structure and to personal property in that building or structure, of both sustain loss or damage;

3. Personal property at each building or structure that sustains loss or damage.

We will not pay for loss or damage until the amount of loss or damage exceeds the Deductible. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit(s) of insurance.

When property is covered under the Coverage Extension for Newly Acquired 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 the time of loss. The applicable percentage for Newly Acquired Property is the highest percentage shown in the Schedule for any described premises.

EXAMPLE - APPLICATION OF DEDUCTIBLE:

The amounts of loss to the damaged property are $60,000 (building) and $40,000 (business personal property in building).

The actual Limits of Insurance on the damaged property are $80,000 on the building and $64,000 on the business personal property.

The Deductible is 2%.

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Building

Step (1): $80,000 X 2% = $1,600
Step (2): $60,000 - $1,600 = $58,400

Business Personal Property

Step (1): $64,000 X 2% = $1,280
Step (2): $40,000 - $1,280 = $38,720

The most we will pay is $97,120 ($58,400 + $38,720). The portion of the total loss that is not covered due to the application of the Deductible is $2,880 ($1,600 + $1,280).

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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FARMERS INSURANCE

J7139
1st Edition

BUSINESS INCOME AND EXTRA EXPENSE - PARTIAL SLOWDOWN COVERAGE

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

A. Section **A.5. Additional Coverages** of the Apartment Owners Property Coverage Form is amended as follows:

1. The following is added to Paragraphs **5.e. Business Income** and **5.f. Extra Expense**:

(3) With respect to the coverage provided in this Additional Coverage, suspension means:

(a) The partial slowdown or complete cessation of your business activities; or

(b) That a part or all of the described premises is rendered untenantable, if coverage for Business Income applies.

B. Paragraph **5.e. Association Fees and Extra Expense** in Section **A.5. Additional Coverages** of the Condominium Property Coverage Form is amended as follows:

1. The following is added under Sub-paragraph **5.e.(2)** Extra Expense:

(c) With respect to the coverage provided in this Additional Coverage, suspension means:

(i) The partial slowdown or complete cessation of your business activities; or

(ii) That a part or all of the described premises is rendered untenantable.

C. The following is added to Paragraph **B.4. Business Income And Extra Expense Exclusions** of the Apartment Owners Property Coverage Form:

c. With respect to this exclusion, suspension means:

(1) The partial slowdown or complete cessation of your business activities; or

(2) That a part or all of the described premises is rendered untenantable, if coverage for Business Income applies.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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FARMERS INSURANCE

J7228
1st Edition

DRONE AIRCRAFT COVERAGE

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

A. The following item is added to Paragraph **5. Additional Coverages** under Section **A. Coverage** of the applicable Coverage Form**:**

Drones –Direct Damage Coverage

a. We will pay for direct physical loss of or damage to "drone aircraft" that is used in your business caused by or resulting from a Covered Cause of Loss located anywhere in the coverage territory.

b. The reference to aircraft in Paragraph **a.** of the Apartment Owners Property Coverage Form and Paragraph **b.** of the Condominium Property Coverage Form under Section **A.2. Property Not Covered** does not apply to the extent that coverage is provided in this Additional Coverage.

c. To the extent that coverage is provided in this AdditionalCoverage, Section **B. Exclusions** is amended as follows:

(1) Exclusion **B.2.a. Electrical Apparatus** does not apply.

(2) Exclusion **B.2.j.(5)** does not apply to "drone aircraft"while aloft.

(3) Exclusion **B.2.j.(6)** Mechanical Breakdown does not apply. However, we will not pay for mechanical breakdown caused by or resulting from:

(a) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;

(b) Leakage at any valve, fitting, shaftseal, gland packing, joint or connection; or

(c) Damage to "drone aircraft"undergoing a pressure or electrical test.

(4) We will not pay for loss or damage caused by or resulting from installation, testing, repair or other similar services performed upon "drone aircraft", including its electronic equipment or components.

(5) We will not pay for loss or damage to "drone aircraft" when such loss or damage occurs while "drone aircraft" is being used to convey merchandise or goods for delivery to others.

(6) We will not pay for loss or damage to "drone aircraft" when such loss or damage is caused by or results from "drone aircraft" being used in any professional or organized racing or demolition contest or stunting activity. We will also not pay for loss or damage that occurs while "drone aircraft" is being prepared for such contest or activity.

d. The most we will pay under this Additional Coverage in any one occurrence is $10,000, unless a higher limit is shown on the Declarations, but not more than $2,500 for any one item, unless a higher per item limit is shown on the Declarations. This Additional Coverage will not increase the Business Personal Property Limit of Insurance provided in this policy.

B. The following item is added to Paragraph **5. Additional Coverages** under Section **A. Coverage** of the Apartment Owners Property Coverage Form:

Drones –Business Income and Extra Expense Coverage

a. We will pay for the actual loss of Business Income you sustain due to the suspension of your business activities requiring the use of "drone aircraft". The suspension must be caused by direct physical damage to "drone aircraft" used in your business located anywhere in the coverage territory. The loss or damage must be caused by or result from a Covered Cause of Loss.

(1) The coverage period for Business Income under this Additional Coverage:

(a) Begins 72 hours after the time of direct physical loss or damage to "drone aircraft" used in your business caused by or resulting from any Covered Cause of Loss; and

(b) Ends on the date when the "drone aircraft" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

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(2) The definition of Business Income contained in Paragraph **A.5.e. Business Income** also applies to this Additional Coverage.

b. We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to "drone aircraft" used in your business located anywhere in the coverage territory.

(1) The coverage period for Extra Expense under this Additional Coverage:

(a) Begins immediately after the time of direct physical loss or damage to "drone aircraft" used in your business caused by or resulting from any Covered Cause of Loss; and

(b) Ends on the date when the "drone aircraft" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(2) The definition of Extra Expense contained in Paragraph **A.5.f. Extra Expense** also applies to this Additional Coverage.

c. The most we will pay under this Additional Coverage is $10,000 unless a higher limit is shown on the Declarations.

C. The following item is added to Paragraph **5. Additional Coverages** under Section **A. Coverage** of the Condominium Property Coverage Form:

Drones – Extra Expense Coverage

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to "drone aircraft" used in your business located anywhere in the coverage territory.

1. The coverage period for Extra Expense under this Additional Coverage:

a. Begins immediately after the time of direct physical loss or damage to "drone aircraft" used in your business caused by or resulting from any Covered Cause of Loss; and

b. Ends on the date when the "drone aircraft" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

2. The definition of Extra Expense contained in Paragraph **A.5.e.(2)** Extra Expense also applies to this Additional Coverage.

3. The most we will pay under this Additional Coverage is $10,000 unless a higher limit is shown on the Declarations.

D. Definition

For the purposes of this endorsement "drone aircraft" means unmanned aircraft and all associated support equipment, including its remote control station, communication and navigation equipment, necessary to operate the unmanned aircraft.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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FARMERS INSURANCE

J7546
1st Edition

EXCLUSION - PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

The Apartment Owners Liability Coverage Form, the Businessowners Liability Coverage Form and the Condominium Liability Coverage Form, and **Section II - Liability** of the BUSINESSOWNERS COVERAGE FORM, are amended as follows:

A. The following is added to Section **B. Exclusions**:

This insurance does not apply to:

Perfluoroalkyl And Polyfluoroalkyl Substances

a. "Bodily injury" or "property damage" which would not have occurred, or "personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".

b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.

B. For the purposes of this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions**:

"Perfluoroalkyl or polyfluoroalkyl substances" means any:

1. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:

a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;

b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;

c. Perfluoropolyethers (PFPE);

d. Fluorotelomer-based substances; or

e. Side-chain fluorinated polymers; or

2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph **B.1.**

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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CONDOMINIUM LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under Section **C - WHO IS AN INSURED.**

Other words and phrases that appear in quotation marks have special meaning.

Refer to Section **F - LIABILITY AND MEDICAL EXPENSES DEFINITIONS.**

A. COVERAGES

1. BUSINESS LIABILITY

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply. We may at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **D - LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE;** and
(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Coverage Extension - Supplementary Payments**.

b. This insurance applies:

(1) To "bodily injury" and "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
(b) The "bodily injury" or "property damage" occurs during the policy period.
(c) Prior to the policy period, no insured listed under Paragraph **C.1. WHO IS AN INSURED** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in par. If such a listed insured or authorized "employee" know, prior to the policy period, that the "bodily injury" or "property damage" occurred, than any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

(2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **C.1. WHO IS AN INSURED** or any "employee" authorized by you to rive or receive notice of an occurrence or claim,

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includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **C.1.WHO IS AN INSURED** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" includes damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

f. Coverage Extension - Supplementary Payments

In addition to the Limit of Insurance we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

(1) All expenses we incur.
(2) Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do no have to furnish these bonds.
(3) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
(4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.
(5) All costs taxed against the insured in the "suit".
(6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
(7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
b. This insurance applies to such liability assumed by the insured;
c. The obligation to defend, or the cost of the defense of that indemnitee, has also been assumed by the insured in the same "insured contract";
d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";
(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and
(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2)** of the **EXCLUSIONS**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
b. The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above are no longer met.

2. MEDICAL EXPENSES

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;
(2) On ways next to premises you own or rent; or
(3) Because of your operations; provided that:

(a) The accident takes place in the "coverage territory" and during the policy period;
(b) The expenses are incurred and reported to us within one year of the date of the accident; and
(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonable require.

b. We will make these payments regardless of fault. These payments will not exceed the Limit of Insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;
(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
(3) Necessary ambulance, hospital, professional nursing and funeral services.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or
(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or

"property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;
(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employers' Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or
(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of the "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies:

(a) Whether the insured may be liable as an employer or in any other capacity; and
(b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1.) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:

(i) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or

(ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

Subparagraph **(d)(i)** does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them.

This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

Subparagraphs **(a)** and **(d)(i)** do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or

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

g. Asbestos

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of, resulting from, caused by or contributed to asbestos or exposure to asbestos;

(2) Any loss, cost or expenses arising out of any request, demand, order, claim, "suit" or statutory or regulatory requirement that any insured or others test for, monitor, abate, remove, clean up, contain, treat, or neutralize, or in any way respond to, or assess the effects of asbestos;

(3) Any supervision, instructions, recommendation, warnings or advice given or which should have been given in connection with **(1)** and **(2)** above; and

(4) Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

For purposes of this exclusion, "bodily injury" includes mental injury, anguish, distress or fear of any injury, illness or disease caused by, or believed to be caused by, or related to asbestos or exposure to asbestos.

h. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge.

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not

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owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of the operation of any of the following equipment:

(a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(b) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

i. Mobile equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

j. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

k. Professional Services

"Bodily injury", "property damage", "personal injury and advertising injury" due to rendering or failure to render any professional service. This includes but is not limited to:

(1) Legal, accounting or advertising services;

(2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;

(3) Supervisory, inspection or engineering services;

(4) Medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;

(5) Any health or therapeutic service treatment, advice or instruction;

(6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

(7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

(8) Body piercing services; and

(9) Services in the practice of pharmacy; but this exclusion does not apply to an insured whose operations include those of a retail druggist or drugstore.

l. Damage To Property

"Property damage" to:

(1) Property you own, rent or occupy;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

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Paragraphs **(3), (4), (5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products completed operations hazard".

m. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

n. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

o. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

p. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";
(2) "Your work"; or
(3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

q. Personal And Advertising Injury

"Personal and advertising injury":

(1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
(2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
(3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
(4) Arising out of a criminal act committed by or at the direction of any insured;
(5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
(6) Arising out of a breach of contract, except an implied contract to use another sadvertising idea in your "advertisement";
(7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
(8) Arising out of the wrong description of the price of goods, products or services stated in your

"advertisement";

(9) Committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting:
(b) Designing or determining content of web-sites or others; or
(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **13. a.**, **b.** and **c.** of "personal and advertising injury" under **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS.**

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

(10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

(11) With respect to any loss, cost or expense arising out of any::

(a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

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

(12) "Bodily injury" arising out of "personal and advertising injury".

(13) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

(14) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright. Trade dress or slogan.

(15) Arising out of the unauthorized use of another sname or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another spotential customers.

Exclusions **c., d., e., f., g., h., i., k., l., m., n.**, **and o.** do not apply to damage by fire or explosion to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section **D.**, **LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE.**

r. Employment Related Practices

"Bodily injury" or "personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;
(b) Termination of that person semployment; or
(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person.

(2) The spouse, child, parent, brother, sister of that person as a consequence of "bodily injury" or "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 insured may be liable as an employer or in any other capacity; and

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

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. To any insured, except "volunteer workers".
b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
c. To a person injured on that part of premises you own or rent that the person normally occupies.
d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
e. To a person injured while taking part in athletics.
f. Included with the "products - completed operations hazard".
g. Excluded under Business Liability Coverage.
h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage - Nuclear Energy Liability Exclusion

This insurance does not apply:

a. Under Business Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association Of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

(a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
(b) The insured is or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency there of, with any person or organization.
(c) Under Business Liability Coverage, to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

(1) The "nuclear material":

(a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
(b) Has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or behalf of an insured; or
(3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

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"Byproduct material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"hazardous properties" include radioactive, toxic or explosive properties.

"Nuclear facility" means:

(a) Any "nuclear reactor";
(b) Any equipment or device designed or used for:

(1) Separating the isotopes of uranium or plutonium;
(2) Processing or utilizing "spent fuel"; or
(3) Handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear material" means "source material", "special nuclear material" or "byproduct material";

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.
"Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"Waste material" means any waste material:

(a) Containing "byproduct material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
(b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs **(a)** and **(b)** of the definition of "nuclear facility".

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

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2. Each of the following is also an insured:

a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you area limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
(b) To the spouse, child, parent, brother or sister of the co-"employee" as a consequence of Paragraph **(1)(a)** above;
(c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraphs **(1)(a)** or **(1)(b);** or
(d) Arising out of his or her providing or failing to provide professional health care services. However, if you have "employees' who are pharmacists in your retail druggist or drugstore operation, they are insureds with respect to their providing or failing to provide professional health care services; or

(2) "Property damage" to property:

(a) Owned, occupied or used by;
(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee"), or any organization while acting as your real estate manager.
c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and
(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

4. The developer in the developer's capacity as a unit-owner, but only with respect to the developer's liability arising out of:

a. The ownership, maintenance or repair of that portion of the premises which is not owned solely by the developer; or
b. The developer's membership in the Association.

However, the insurance afforded with respect to the developer does not apply to liability for acts or omissions as a developer.

5. Each other unit-owner of the described condominium, but only with respect to that person's liability arising out of the ownership, maintenance or repair of that portion of the premises which is not owned solely by the unit-owner or out of that person's membership in the Association.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

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

a. Insureds;
b. Claims made or "suits" brought; or
c. Persons or organizations making claims or bringing "suits".

2. The most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
b. "Personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire or explosion is the Fire Legal Liability limit shown in the Declarations.

4. Aggregate Limits

The most we will pay for:

a. Injury or damage under the "products - completed operations hazard" arising from all "occurrences" during the policy period is the **Liability And Medical Expenses Limit;** and
b. All other injury or damage, including medical expenses, arising from all "occurrences" during the policy period is twice the **Liability And Medical Expenses Limit.** This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire or explosion.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

(1) How, when and where the "occurrence" or offense took place;
(2) The names and addresses of any injured persons and witnesses; and
(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
(2) Authorize us to obtain records and other information;
(3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and
(4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Financial Responsibility Laws

a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this policy:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and
b. Separately to each insured against whom claim is made or "suit" is brought.

F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

(a) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
(b) Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting

from any of these at any time.

4. "Coverage territory" means:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
b. International waters or air-space, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in **a.** above; or
c. All parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in **a.** above; or
(2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured sresponsibility to pay damages is determined in a "suite" on the merits in the territory described in Paragraph **a.** above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

(1) The repair, replacement, adjustment or removal of "your product" or " your work"; or
(2) Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
b. A sidetrack agreement;
c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
e. An elevator maintenance agreement;
f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys,

change orders, designs or specifications; or

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

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection or engineering services.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
b. While it is in or on an aircraft, watercraft or "auto"; or
c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
b. Vehicles maintained for use solely on or next to premises you own or rent;
c. Vehicles that travel on crawler treads;
d. Vehicles, whether self-propelled or not, on which are permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or
(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in **a., b., c.,** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal:
(b) Road maintenance, but not construction or resurfacing; or
(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

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a. False arrest, detention or imprisonment;
b. Malicious prosecution;
c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
e. Oral or written publication of material that violates a person's right of privacy;
f. The use of another sadvertising idea in your "advertisement"; or
g. Infringing upon another scopyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes. acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products - completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or
(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.
(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
(c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

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

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Your product" means:

a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(1) You;
(2) Others trading under your name; or
(3) A person or organization whose business or assets you have acquired; and

b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes":

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
b. The providing of or failure to provide warnings or instructions.

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

21. "Your work" means:

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

"Your work" includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
b. The providing of or failure to provide warnings or instructions.

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E4009
4th Edition

This endorsement changes the policy. Please Read it carefully.

MOLD AND MICROORGANISM EXCLUSION

This endorsement modifies insurance provided under the following

BUSINESSO WNERS COVERAGE FORM
BUSINESSO WNERS LIABILITY COVERAGE FORM
COMMERCIAL GENERAL L IABILITY COVERAGE PART
APARTMENT O WNERS L IABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM
DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM

The following provisions apply to your policy.

A . Definition:

1. "Mold" means any type or form of fungus including b ut not limited to mildew, mycotox ins, spores, scents or by -products produced or released by "mold".

2. "Microorganism" means any organism (an imal or plant) of microscopic size, including but not limited to any type or form of bacteria, bacterium, germ, intestinal flora, microbe, pathogen or virus or any part or by-product of any of the above.

B . This insurance does not apply to any:

1. "Bodily injury" Property Damage" or "personal and advertising injury" which arising out of, resulting from, caused or contributed to, whether directly or indirectly by "mold" or "microorganism" and 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 "mold" or "microorganism";

2. Any loss, cost or expense arising out the abating, testing for, monitoring, cleaning up, removing, containing, treating, detox ifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effect of "mold" or "microorganism", by any insured or by any other person or entity;

3. Any supervision, instruction, recommendation, warning or adv ice given or which should have been given in connection with 1or 2 above; and

4. Any obligation to share with or repay someone else who must pay damages because of such injury or damage.

However this exclusion does not apply to any "mold" or "microorganism" that are on, or are contained in, a good or product intended for consumption.

The above applies regardless of any other cause that contributed concurrently or in any sequence to the injury or damage.

FARMERS INSURANCE

J7158
1st Edition

DAMAGE TO PROPERTY EXCLUSION REVISED

This endorsement modifies insurance provided under the:

APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

A. Paragraph **B.1.l**. of **Exclusions** in the applicable coverage form is replaced by the following:

1. Applicable To Business Liability Coverage

This insurance does not apply to:

Damage To Property

"Property damage" to:

(1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1), (3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance**.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **(3), (4), (5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J7144
1st Edition

PERSONAL AND ADVERTISING INJURY COVERAGE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Liability Coverage Form apply unless modified by the endorsement.

A. Paragraph **q.** of Section **B. EXCLUSIONS** is deleted and replaced with the following:

q. Personal And Advertising Injury

"Personal and advertising injury":

(1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";

(2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;

(3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period, whether or not any publication made prior to the inception of the policy:

(a) Violated or infringed upon another's rights; or

(b) Was or is actionable;

(4) Arising out of a criminal act committed by or at the direction of the insured;

(5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

(6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";

(7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

(8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";

(9) Committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

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

(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **13. a., b.** and **c.** of "personal and advertising injury" under Section **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS.**

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

(10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;

(11) With respect to any loss, cost or expense arising out of any:

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

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

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(12) "Bodily injury" arising out of "personal and advertising injury";

(13) Arising out of an electronic chatroom or bulletin board, blog or any other virtual forum the insured hosts, owns or over which the insured exercises control;

(14) Arising out of the infringement of copyright, patent, trademark, trade dress, slogan, service mark, trade secret or other intellectual property rights. However this exclusion does not apply if the sole and exclusive basis for the claim is infringement, in your "advertisement", of:

(a) Copyright;

(b) Trade dress; or

(c) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity;

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

Exclusions **c., d., e., f., g., h., i., k., l., m., n**. and **o.** do not apply to damage by fire or explosion to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS.**

B. Section **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS** is amended as follows:

The definition of "advertisement" and "personal and advertising injury" are deleted and replaced with:

1. "Advertisement" means widespread dissemination of information or images to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes:

a. Material placed on the Internet or on similar electronic means of communication about your goods, products or services for the purpose of attracting customers or supporters; and

b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

However, "advertisement" does not include any:

a. Design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

b. Display of goods, products or services at your physical place of business or at any other physical location such as in showrooms or at trade shows.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

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

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

Damages because of "personal and advertising injury" do not include disgorgement, restitution or any other similar monetary amount based, in whole or in part, on an insured's unlawful gain or profit, alleged or otherwise.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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FARMERS INSURANCE

J7136
1st Edition

POLLUTION EXCLUSION - EXPANDED EXCEPTION

This endorsement modifies insurance provided under the:

APARTMENT OWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Section **B. Exclusions** is amended as follows:

1. Subparagraph **(1)(a)** of **f. Pollution** is deleted and replaced with the following:

a. At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire;

2. The second paragraph following paragraph **f.(1) Pollution** is deleted and replaced with the following:

Subparagraph **(d)(i)** does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY
CONDOMINIUM POLICY

SCHEDULE

Coverage	Additional Premium
Hired Auto Liability	
Non-Owned Auto Liability	

A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

1. Hired Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** in the applicable Liability Coverage Form, applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

2. Non-Owned Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** in Section **II** Liability, applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

B. For insurance provided by this endorsement only:

1. The exclusions, under the Paragraph **B.1. Applicable To Business Liability Coverages** in the applicable **Liability Coverage Form,** other than Exclusions **a., b., d., f.** and **i.** and the Nuclear Energy Liability Exclusion, are deleted and replaced by the following:

a. "Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies:

(a) Whether the insured may be liable as an employer or in any other capacity; and

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

This exclusion does not apply to:

(i) Liability assumed by the insured under an "insured contract"; or

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(ii) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

b. "Property damage" to:

(1) Property owned or being transported by, or rented or loaned to the insured; or

(2) Property in the care, custody or control of the insured,

2. Paragraph **C. Who Is An Insured** in **the applicable Liability, Coverage Form** is replaced by the following:

Each of the following is an insured under this endorsement to the extent set forth below:

a. You;

b. Any other person using a "hired auto" with your permission;

c. For a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business; and

d. Any other person or organization, but only for their liability because of acts or omissions of an insured under **a., b.** or **c.** above.

None of the following is an insured:

(1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;

(2) Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

(3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;

(4) The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;

(5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

C. The following additional definitions apply:

1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".

2. "Hired Auto" means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours.

3. "Non-Owned Auto" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.

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FARMERS INSURANCE

J6316
2nd Edition

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

A. The exclusion set forth in Paragraph **B.** applies to all coverage under Section **A. Coverage** in all forms and endorsements that comprise this policy, except as provided in Paragraph **C.** This includes but is 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 microorganism that induces or is capable of inducing physical distress, illness or disease.

C. However, the exclusion in Paragraph **B.** does not apply to the following:

1. Loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage may be addressed in a separate exclusion in this policy;

2. Coverage otherwise provided under Food Borne Illness Business Interruption Coverage **E3032** (if that endorsement is attached to this policy);

3. Coverage otherwise provided under the Restaurant Food Contamination Shutdown Coverage **E3419** (if that endorsement is attached to this policy); or

4. Coverage otherwise provided under the Limited Biohazardous Substance Coverage **J7133** (if that endorsement is attached to this policy).

D. With respect to any loss or damage subject to the exclusion in Paragraph **B.,** such exclusion supersedes any exclusion relating to "pollutants".

E. If the following provisions are part of this policy, they are hereby amended to remove reference to bacteria:

1. Exclusion of "Fungi", Wet Rot, Dry Rot And Bacteria; and

2. Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.

F. 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 policy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER:

FARMERS INSURANCE

J7183
1st Edition

LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

A.	**Premises:** Premises listed in the Policy Declarations
B.	**Project Or Operation:** Operations described in the Policy Declarations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Paragraph **A.1.b.(1)** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

(1) To "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:

(a) The "bodily injury" or "property damage":

(i) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(ii) Arises out of the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule;

(b) The "bodily injury" or "property damage" occurs during the policy period; and

(c) Prior to the policy period, no insured listed under Paragraph **C.1. Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

B. Paragraph **A.1.b.(2)** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

(2) To "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:

(a) The offense arises out of your business:

(i) Performed on the premises shown in the Schedule; or

(ii) In connection with the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule; and

(b) The offense was committed during the policy period.

However, with respect to Paragraph **A.1.b.(2)(a)(i),** if the "personal and advertising injury" is caused by:

(a) False arrest, detention or imprisonment; or

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

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

C. Paragraph **A.2.a. Medical Expenses** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

(1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(2) Arises out of the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule;

provided that:

(a) The accident takes place during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J6849
2nd Edition

DEDUCTIBLE PROVISIONS

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

The Deductible provisions in the applicable coverage form are amended as follows.

Section **D. Deductibles** in the applicable Property Coverage Form, and Paragraph **D. Deductibles** in **SECTION I - PROPERTY** of the Businessowners Coverage Form is deleted and replaced by the following:

D. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

2. If more than one Deductible applies in any one occurrence we will apply each Deductible separately per location. But the total of all Deductible amounts applied in that occurrence will not exceed the highest applicable Deductible per location.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

FARMERS INSURANCE

J6829
1st Edition

LIMITED COVERAGE FOR FUNGI, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

A. The following is added under B.1. EXCLUSIONS in the applicable PROPERTY COVERAGE FORM:

h. "Fungi", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria.

But if "fungi", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

(1) When "fungi", wet or dry rot or bacteria results from fire or lightning; or
(2) To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

B. Item B.1.f. Water, Mudslide or Mudflow under B.1. EXCLUSIONS in the applicable PROPERTY COVERAGE FORM is amended as follows:

a. The following item is added to paragraph B.1.f.(2):

(f) "Fungi", wet or dry rot or bacteria that results from fire or lightning.

b. The following is added as paragraph B.1.f.(3):

This exclusion does not apply to the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria, if any, with respect to loss or damage by a cause of loss other than fire or lightning.

C. Paragraph B.2.j.(2) under B.2. EXCLUSIONS in the applicable PROPERTY COVERAGE FORM is replaced by the following:

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

D. The following is added under B.2.j. in the applicable PROPERTY COVERAGE FORM:

(8) Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

E. Paragraph A.5.k.(6) of the Additional Ordinance Or Law Coverage in the APARTMENT OWNERS PROPERTY COVERAGE FORM and paragraph A.5.i.(6) of the Additional Ordinance Or Law Coverage in the CONDOMINIUM PROPERTY COVERAGE FORM is replaced by the following:

(6) 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 "fungi", wet or dry rot or bacteria; or

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

F. The following is added as item n. in the CONDOMINIUM PROPERTY COVERAGE FORM and item p. in the APARTMENT OWNERS PROPERTY COVERAGE FORM under Section A.5. Additional Coverages:

Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria

If "fungi", wet or dry rot or bacteria results from a "specified cause of loss" (other than fire or lightning) that occurs during the policy period, and if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

(1) We will pay for loss or damage by "fungi", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

(a) Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;

(b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and

(c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided it is reasonable to believe that "fungi", wet or dry rot or bacteria are present.

(2) The most we will pay under this Limited Coverage for the sum of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in each 12 month period (beginning with the effective date of this policy), is $15,000. The $15,000 aggregate limit is subject to and not in addition to the applicable Limit of Insurance on the affected property and is applied regardless of the number of premises involved in such occurrence(s).

(3) We will not pay more than the total of $15,000 under this Limited Coverage even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

(4) Payments under this Limited Coverage are subject to and not in addition to the applicable Limit of Insurance on any Covered Property.

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

(6) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Additional Coverages 5.d. Collapse or 5.e. Water Damage, Other Liquids, Powder or Molten Material Damage .

(7) This Limited Coverage applies if a Limit of Insurance is shown in the Declarations for Building or Personal Property.

(8) The following applies only if Business Income and Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage.

(a) If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, we will pay for the actual loss of business income and extra expense you sustain. However, we will only pay for loss of business income and extra expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot or bacteria, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for the actual loss of business income and extra expense you sustain 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.

(9) The following applies to Association Fees and Extra Expense coverage:

(a) If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself render a unit uninhabitable, but such unit is uninhabitable due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, then our payment under the Association Fees and Extra Expense coverage is limited to the amount of lost fees and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If loss or damage other than "fungi" wet or dry rot or bacteria renders a unit uninhabitable, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss of Association Fees and/or Extra Expense you sustain 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.

G. Section H. PROPERTY DEFINITIONS of the applicable PROPERTY COVERAGE FORM is revised as follows:

1. The following definition is added:

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

2. The first two paragraphs of Item 6. "Specified Causes of Loss" are replaced by the following:

6. "Specified Causes of Loss" means the following:

Fire; lightning; explosion; windstorm; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; water damage; weight of snow, ice or sleet.

3. The following subparagraph is added to item 6. "Specified Causes of Loss":

c. Water damage means sudden and accidental discharge or leakage of water or steam as a direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

FARMERS INSURANCE

J6833
2nd Edition

CONDOMINIUM PREMIER PACKAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. The following is added as paragraph c. under A.1. COVERED PROPERTY:

c. Specified Property owned by you or indivisibly by all unit-owners, consisting of the following:

(1) Athletic courts;

(2) Bulkheads, docks, piers and wharves;

(3) Community roads and driveways;

(4) Fences;

(5) Flagpoles;

(6) Fountains;

(7) Lights;

(8) Monuments;

(9) Planters;

(10) Playgrounds;

(11) Poles;

(12) Pools and spas;

(13) Storage units;

(14) Walkways; and

(15) Walls, including retaining walls.

However, Specified Property does not include personal property, owned by you or indivisibly by all unit-owners, located inside a building.

B. Section A.2. PROPERTY NOT COVERED is amended as follows:

Paragraph 2.f. is deleted and replaced by the following:

f. Fences, walls, walks, driveways and pools, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except provided in:

(1) Paragraph A.1.c. Specified Property;

(2) Paragraph A.6.d. Outdoor Property; or

(3) Paragraph G.2. Outdoor Signs.

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C. Section A.5. ADDITIONAL COVERAGESs amended as follows:

1. Paragraph 5.c. Fire Department Service Charge is deleted and replaced by the following:

   c. Fire Department Service Charge

   When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $25,000, for your liability for fire department service charges:

   (1) Assumed by contract or agreement prior to loss; or

   (2) Required by local ordinance.

2. Paragraph 5.f. Pollutant Clean Up and Removal is deleted and replaced by the following:

   f. Pollutant Clean Up and Removal

   We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

   (1) The date of direct physical loss or damage; or

   (2) The end of the policy period.

   The most we will pay for each location under this Additional Coverage is $50,000 for the sum of all such expenses arising out of Covered Causes of loss occurring during each separate 12 month period of this policy.

3. Paragraph 5.i. Ordinance Or Law Coverage is deleted and replaced by the following:

   i. Ordinance Or Law Coverage

   (1) Coverage 1 - Coverage for Loss to the Undamaged Portion of the Building or Structure

   If a Covered Cause of Loss occurs to covered building or structure property, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building or structure as a consequence of the enforcement of any ordinance or law that:

   (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;

   (b) Regulates the construction or repair of buildings or structures, or establishes zoning or land use requirements at the described premises; and

   (c) Is in force at the time of loss.

   However:

   We will not pay for the Increased Cost of Construction:

   (a) Until the property is actually repaired or replaced, at the same or another premises; and

   (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years.

   We may extend this period in writing during the two years.

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If the building or structure 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.

If the ordinance or law requires relocation to another premises, the most we will pay for Increased Cost of Construction is the increased cost of construction at the new premises.

Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building or structure property. Coverage 1 does not increase the Limit of Insurance.

(2) Coverage 2 - Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered building or structure property, we will pay the cost to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

(3) Coverage 3 - Increased Cost of Construction Coverage

If a Covered Cause of Loss occurs to the covered building or structure property, we will pay for the increased cost to:

(a) Repair or reconstruct damaged portions of that building or structure property; and/or

(b) Reconstruct or remodel undamaged portions of that building or structure property, whether or not demolition is required;

when the increased cost is a consequence of the enforcement of a building, zoning or land use ordinance or law.

However:

(a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by a zoning or land use ordinance or law.

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

(4) This Additional Coverage applies only to building or structure property insured on a replacement cost basis.

(5) Paragraph E.6.d. of the Property Loss Conditions does not apply to the Demolition Cost Coverage or the Increased Cost of Construction Coverage.

(6) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building or structure was undamaged; and

(b) You failed to comply with.

(7) Under this Additional Coverage, we will not pay 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".

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(8) The most we will pay under this Additional Coverage, for all covered loss arising out of the same occurrence is $250,000 for Coverage 2 and Coverage 3 unless a higher limit is shown on the Declarations for Ordinance or Law Coverage. These Additional Coverage limits apply in addition to the Building Limit of Insurance.

(9) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(10) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to the enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in l.(7) of this Additional Coverage, is not subject to such limitation.

4. Paragraph 5.m. Fire Extinguisher Recharge is deleted and replaced by the following:

m. Fire Extinguisher Recharge

We will pay up to $5,000 per occurrence for the necessary costs to recharge or replace (whichever is less) fire extinguishers or fire suppression systems owned by the insured that are accidentally discharged or discharged as a result of extinguishing a covered fire which occurs at a location shown in the Declarations.

5. The following Additional Coverage item is added:

n. Extended Building Replacement Cost

(1) We will pay up to 150% of the Limits of Insurance shown on the Declarations to repair or replace covered buildings damaged by a covered loss, if:

(a) Buildings, including garages and carports, are insured at policy inception to 100% of their replacement cost; and

(b) You accept each annual adjustment in building coverage limits to maintain proper insurance to value, and pay the corresponding premium when due, if this policy is a renewal of a prior policy; and

(c) You notify us within 90 days of the start of any physical changes which increase the value of the insured buildings by $25,000 or more, and pay any additional premium due. This includes any new structures covered under this Additional Coverage and any additions to or remodeling of the buildings.

(2) This Additional Coverage does not apply to:

(a) Specified Property, Outdoor Signs or any other appurtenant structures. However, this exclusion does not apply to garages or carports.

(b) Any property listed in A.2. PROPERTY NOT COVERED of the CONDOMINIUM PROPERTY COVERAGE FORM, regardless of any endorsement or declaration page entry which extends coverage to such property.

(c) Building upgrades as required by the enforcement of any ordinance or law regulating the use, construction, repair or demolition of the building, including debris removal.

(d) Damage caused by earthquake, even if earthquake is otherwise covered under this policy.

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(3) Loss settlement under this Additional Coverage will not exceed the least of the following amounts:

(a) The replacement cost of the damaged part of the building for equivalent construction and use on the same premises.

(b) The amount necessarily spent to repair or replace such property intended for the same occupancy and use.

(c) The lesser of Actual Cash Value or the Building limit shown on the Declarations if the buildings are not repaired or replaced.

(d) 150% of the Building limit shown on the Declarations.

D. Section A.6. COVERAGE EXTENSIONS is amended as follows:

Paragraph 6.d. Outdoor Property is deleted and replaced by the following:

d. Outdoor Property

You may extend the insurance provided by this policy to apply to your radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

(1) Fire;
(2) Lightning;
(3) Explosion;
(4) Wind;
(5) Hail;
(6) Riot or Civil Commotion; or
(7) Aircraft.

The most we will pay for loss or damage under this Extension is the Limit of Insurance shown in the Declarations for Outdoor Property, but not more than $25,000 for any one tree, shrub or plant.

This Coverage Extension for Outdoor Property applies as described above, regardless of any other condition described elsewhere in this policy that:

(1) Excludes coverage for damage caused by or resulting from Wind or Hail; or

(2) Provide a specific deductible for loss or damage caused by or resulting from Wind or Hail.

E. Section G. OPTIONAL COVERAGES is amended as follows:

1. Paragraph 1. Specified Property is deleted.

2. Paragraph 2.d. Outdoor Signs is deleted and replaced by the following:

d. The most we will pay for loss or damage to Outdoor Signs in any one occurrence is $50,000, unless a higher limit is shown in the Declarations, but not more than $25,000 per sign.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J6832
1st Edition

AGREED AMOUNT ENDORSEMENT

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

Effective Date: 11/01/26

A. We will pay, in any one occurrence, up to the limit shown in the Declarations for covered loss or damage to Building(s) located at any premises or locations shown on the Declarations.

B. Section E. PROPERTY LOSS CONDITIONS is amended as follows:

1. Paragraph E.6.d.(1)(a) of the APARTMENT OWNERS PROPERTY COVERAGE FORM and paragraph E.5.d.(1)(a) of the CONDOMINIUM PROPERTY COVERAGE FORM are replaced by the following:

   (a) We will pay the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:

      (i) The Limit of Insurance under this policy that applies to the lost or damaged property;

      (ii) The cost to replace, on the same premises, the lost or damaged property with other property:

         i. Of comparable material and quality; and

         ii. Used for the same purpose; or

         iii. The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

2. Paragraph E.6.d.(1)(b) of the APARTMENT OWNERS PROPERTY COVERAGE FORM does not apply to Building(s) located at any premises or locations shown on the Declarations.

3. Paragraph E.5.d.(1)(b) of the CONDOMINIUM PROPERTY COVERAGE FORM does not apply to Building(s) located at any premises or locations shown on the Declarations.

C. The terms of this endorsement apply only to loss or damage that occurs on or after the effective date of this endorsement.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J7541
1st Edition

BROAD ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

A. The following exclusion is added to Paragraph **1. Applicable To Business Liability Coverage** in Section **B. Exclusions** of the Apartment Owners Liability Coverage Form, the Businessowners Liability Coverage Form and the Condominium Liability Coverage Form:

Abuse or Molestation

This insurance does not apply to damages arising out of the actual, alleged or threatened abuse or molestation, including, but not limited to, mental abuse, corporal punishment, sexual abuse or sexual molestation, of any person committed by anyone.

This includes, but is not limited to, the actual or alleged negligent hiring, employment, investigation, reporting to the proper authorities, or failure to so report, supervision, training, or retention of any person or organization.

B. The following exclusion is added to Paragraph **1. Applicable To Business Liability Coverage** in Sub-section **B. Exclusions** of **Section II - Liability** of the Businessowners Coverage Form:

Abuse or Molestation

This insurance does not apply to damages arising out of the actual, alleged or threatened abuse or molestation, including, but not limited to, mental abuse, corporal punishment, sexual abuse or sexual molestation, of any person committed by anyone.

This includes, but is not limited to, the actual or alleged negligent hiring, employment, investigation, reporting to the proper authorities, or failure to so report, supervision, training, or retention of any person or organization.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

FARMERS INSURANCE

E0119
5th Edition

BACK UP OF SEWERS AND OVERFLOW OF DRAINS COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following item is added to A.5. Additional Coverages of the Condominium Property Coverage Form:

n. Back Up of Sewers or Drains

(1) We will pay up to the Limit of Insurance Per Occurrence shown on the Declarations for Back Up of Sewers and Overflow of Drains for loss or damage to Covered Property caused by water that:

(a) Backs up from a sewer or drain away from your premises; or

(b) Overflows from an appliance, drain or plumbing fixture on the premises but only if the overflow is sudden and accidental, where you have exercised proper care and maintenance, and it is not the result of a continuous or repeated seepage or leakage that occurred over time; or

(c) Enters into and overflows from a sump pump or sump pump well or any other system designed to remove subsurface water from a foundation area.

One or more incidents occurring within a 72 hour period is considered one occurrence.

(2) Subject to the applicable Limit of Insurance shown on the Declarations for Back Up of Sewers and Overflow of Drains and other provisions of this endorsement, paragraph 1.f. (1)(a) in B. EXCLUSIONS is deleted.

(3) The deductible applicable to and shown on the Declarations for Building and/or Business Personal Property applies to each loss under this endorsement. However, if a separate Water Damage Deductible is shown on the Declarations, the Water Damage Deductible applies to each loss under this endorsement.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

FARMERS INSURANCE

J6612
2nd Edition

EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by this endorsement.

When this endorsement is made part of a BUSINESSOWNERS POLICY, the optional coverage for Mechanical Breakdown in the Businessowners Special Property Coverage Form and the Businessowners Coverage Form is deleted in its entirety.

The following is added to **5. Additional Coverages** under Section **A. Coverage** in the applicable Property Coverage Form:

Equipment Breakdown Coverage

We will pay for direct damage to Covered Property caused by or resulting from Breakdown to Covered Equipment owned by you, or in your care, custody or control, and for which you are legally liable and located at the described premises. The provisions of:

1. Paragraphs **f. Business Income** and **g. Extra Expense** under Section **A.5. Additional Coverages** in the Businessowners Special Property Coverage Form and **Section I – Property** of the Businessowners Coverage Form;
2. Paragraphs **e. Business Income** and **f. Extra Expense** under Section **A.5. Additional Coverages** in the Apartment Owners Property Coverage Form; and
3. Paragraph **e. Association Fees and Extra Expense** in the Condominium Owners Property Coverage Form

apply as a consequence of covered direct damage to Covered Property if Business Income and Extra Expense or Association Fees and Extra Expense are covered in this policy.

1. Covered Equipment

a. Covered Equipment means and includes any of the following:

(1) Equipment built to operate under internal pressure or vacuum other than weight of contents; and

(2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy.

b. Covered Equipment does not mean or include any of the following:

(1) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;

(2) Insulating or refractory material, but not excluding the glass lining of any Covered Equipment;

(3) Non-metallic pressure or vacuum equipment unless it is constructed and used in accordance with the American Society of Mechanical Engineers (ASME) code or another appropriate and approved code;

(4) Catalyst;

(5) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;

(6) Structure, foundation, cabinet or compartment supporting or containing the Covered Equipment or part of the Covered Equipment including penstock, draft tube, well casing, or water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;

(7) 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;

(8) 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;

(9) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;

(10) Computer Equipment, meaning:

(a) Programmable electronic equipment that is used to store, retrieve and process data (unless used to control covered equipment); and

(b) Associated peripheral equipment that communicates with the equipment described in **(a)** above, including input and output functions such as printing and auxiliary functions such as data transmission.

(11) Media, meaning electronic data processing or storage media such as films, tapes, discs, drums or cells;

(12) Electronic Data, meaning:

(a) Programmed and recorded material stored on media, as described in **b.(11)** above; and

(b) Programming records used for electronic data processing, or electronically controlled equipment; or

(13) Equipment or any part of such equipment manufactured by you for sale or lease.

2. Breakdown

a. Breakdown means direct physical loss that causes damage to Covered Equipment and necessitates its repair or replacement as follows:

(1) Failure of pressure or vacuum equipment;

(2) Mechanical failure including rupture or bursting caused by centrifugal force; or

(3) Artificially generated electrical failure including arcing that disturbs electrical devices, equipment, appliances or wires.

b. Breakdown does not mean or include:

(1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;

(2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;

(3) Damage to any vacuum tube, gas tube or brush;

(4) Damage to any structure or foundation supporting the Covered Equipment or any of its parts; or

(5) The cracking of any part of an internal combustion gas turbine exposed to the products of combustion.

If an initial Breakdown causes other Breakdowns, all will be considered One Breakdown. All Breakdowns at any one described premises that manifest themselves at the same time and are the direct result of the same cause will be considered One Breakdown.

3. This Additional Coverage will not increase the Limits of Insurance provided in this policy.

4. Extensions

The following Extensions also apply to loss caused by or resulting from Breakdown to Covered Equipment owned by you, or in your care, custody or control, and for which you are legally liable and located at the described premises.

The most we will pay for any of the following Extensions is $25,000 unless another Limit of Insurance is shown in the Declarations for such Extensions. Unless Business Income and Extra Expense or Association Fees and Extra Expense are excluded from the policy, this includes loss of business income and/or necessary extra expense or association fees and extra expense you may incur as a consequence of the following Extensions. The Limits of Insurance applicable to these Extensions will not increase the Limits Of Insurance provided in this policy.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

(1) Make temporary repairs; and

(2) Expedite permanent repairs or replacement of the damaged property.

b. Ammonia Contamination

The spoilage to Covered Property contaminated by ammonia, including any salvage expense.

c. Hazardous Substance

We will pay for any additional expenses incurred by you for the clean up, repair or replacement or disposal of Covered Property that is damaged, contaminated, or polluted by a Hazardous Substance.

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

Hazardous Substance means any substance other than ammonia that has been declared hazardous to health by a governmental agency. Ammonia is not considered to be a Hazardous Substance as respects this Additional Coverage.

d. Water Damage

The damage to Covered Property by water, including any salvage expenses, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

e. Drying Out Coverage

If electrical Covered Equipment requires drying out as a result of a flood, we will pay for the direct expenses of such drying out.

f. Valuation

(1) If you elect or we require that the repair or replacement of the damaged Covered Equipment be done in a manner that:

(a) Improves the environment;

(b) Increases efficiency; or

(c) 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.

(2) If:

(a) Any damaged Covered Equipment 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 non-refundable, non-transferable warranties or contracts.

5. Conditions

The following conditions apply to this Additional Coverage:

a. 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 by delivering or mailing 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.

b. Salvage

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.

6. Exclusions

a. The following limitations and exclusions in **A.4 Limitations** and **B. Exclusions** in the Businessowners Special Property Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

(1) Limitation **A.4.a.(1)** Steam Equipment;

(2) Limitation **A.4.a.(2)** Water Heating Equipment;

(3) Exclusion **B.2.a.** Electrical Apparatus;

(4) Exclusion **B.2.d.** Steam Apparatus; and

(5) Exclusion **B.2.k.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.k. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.k.(1)** through **B.2.k.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

b. The following limitations and exclusions in **A.4. Limitations** and **B. Exclusions** under **Section I – Property** in the Businessowners Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

(1) Limitation **A.4.a.(1)** Steam Equipment;

(2) Limitation **A.4.a.(2)** Water Heating Equipment;

(3) Exclusion **B.2.a.** Electrical Apparatus;

(4) Exclusion **B.2.d.** Steam Apparatus; and

(5) Exclusion **B.2.l.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.I. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.I.(1)** through **B.2.I.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

c. The following limitations and exclusions in **A.4. Limitations** and **B. Exclusions** in the Apartment Owners Property Coverage Form or the Condominium Property Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

(1) Limitation **A.4.a.(1)** Steam Equipment;
(2) Limitation **A.4.a.(2)** Water Heating Equipment;
(3) Exclusion **B.2.a.** Electrical Apparatus;
(4) Exclusion **B.2.d.** Steam Apparatus; and
(5) Exclusion **B.2.j.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.j. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.j.(1)** through **B.2.j.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

d. We will not pay for loss or damage caused by or resulting from any of the following:

(1) Damage to Covered Equipment undergoing a pressure or electrical test.
(2) Depletion, deterioration, corrosion, erosion, rust or wear and tear. However, if a Breakdown occurs we will pay the resulting loss or damage.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

CONDOMINIUM COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.
      (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
         (a) Seasonal unoccupancy; or
         (b) Buildings in the course of construction, renovation or addition.

         Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
      (2) After damage by a covered cause of loss, permanent repairs to the building:
         (a) Have not started, and
         (b) Have not been contracted for, within 30 days of initial payment of loss.
      (3) The building has:
         (a) An outstanding order to vacate;
         (b) An outstanding demolition order; or
         (c) Been declared unsafe by governmental authority.
      (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
      (5) Failure to:
         (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
         (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
   b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
   c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.
7. No Act or omission by any unit-owner will void the policy or be a condition to recovery under this policy. But this does not apply to unit-owners acting within the scope of their authority on behalf of the Association.

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B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;

2. The Covered Property;

3. Your interest in the Covered Property; or

4. A claim under this policy.

D. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

E. Inspections And Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;

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

3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to pr o-vide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or

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

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

F. 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.

G. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

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H. Other Insurance

1. If there is other insurance covering the same loss or damage, 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.
2. Business Liability Coverage is excess over any other insurance that insures for direct physical loss or damage.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:
   a. Is responsible for the payment of all premiums; and
   b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was i s-sued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the pre-mium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
   a. Paid to us prior to the anniversary date; and
   b. Determined in accordance with Paragraph **2.** above.

   Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That pre-mium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Condominium Property Coverage:

   If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:
   a. Prior to a loss to your Covered Property.
   b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
      (1) Someone insured by this insurance;
      (2) A business firm:

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(a) Owned or controlled by you; or

(b) That owns or controls you; or

(3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Condominium Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

We waive our rights to recover payment against:

a. Any unit owner, including the developer, and members of his or her household;

b. The Association; and

c. Members of the Board of Directors for acts or omissions within the scope of their duties for you.

But, we reserve our rights to recover damages from the developer for which he or she may be held liable in his or her capacity as a developer.

L. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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FARMERS INSURANCE

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TWO OR MORE COVERAGE FORMS

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS COMMON POLICY CONDITIONS
CONDOMINIUM COMMON POLICY CONDITIONS

1. The following paragraph is added to the APARTMENT OWNERS and CONDOMINIUM COMMON POLICY CONDITIONS and supersedes any provision to the contrary:

   A. Two Or More Coverage Forms Or Policies Issued By Us

      If this Coverage Form and any other Coverage Form or policy issued by us or any company affiliated with us provide coverage to anyone who qualifies as an insured under the policies and apply to the same accident, claim, damage, loss, "occurrence", offense, or "suit", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over the Coverage Form.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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REMOVAL OF ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

Section **B. Exclusions** of the applicable property coverage form is amended as follows:

A. Paragraph **B.1.g. Asbestos** does not apply.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

FARMERS INSURANCE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

E3037
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NO COVERAGE FOR CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY
CONDOMINIUM POLICY

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. We will not pay for loss or damage to any property, loss of use of any property, any Association Fees, Extra Expense or loss of Business Income caused directly or indirectly by:

1. The failure or malfunction of:

a. Any of the following, whether belonging to you or to others:

(1) computer hardware;
(2) computer software;
(3) computer operating systems;
(4) computer networks;
(5) microprocessors (computer chips);
(6) any other computerized or electronic equipment or components;
(7) any electronic data processing equipment, computer programs and software; or

b. Any other products or services that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph **1.a.** of this endorsement.

due to the inability of those products or services described in paragraphs **1.a.** and **1.b.** to correctly recognize, distinguish, interpret, accept or process any encoded, abbreviated or encrypted date(s) or times(s).

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by you or for you to determine, rectify or test any potential or actual failure or malfunction described in paragraph **A.1.** above. However, if an excluded loss or damage results in a "Specified Cause of Loss" (such as fire), we will pay only for the loss or damage caused by such "Specified Cause of Loss".

B. We will not pay for "bodily injury", "property damage", "personal injury" or "advertising injury" for which any insured may be held liable by reason of:

1. The failure or malfunction of any of the items listed in paragraph **A.1.a.** of this endorsement; or

2. Any products or services that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph **A.1.a.** of this endorsement

due to the inability of those products or services described in paragraphs **1.** and **2.** above to correctly recognize, distinguish, interpret, accept or process any encoded, abbreviated or encrypted date(s) or times(s).

C. We will not pay for repair or modification of any part of an electronic data processing system, or its related equipment, to correct deficiencies or features of logic or operation.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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COLORADO CHANGES

This endorsement modifies insurance provided under the:

PREFERRED COMMUNITY ASSOCIATION MANAGEMENT COVERAGE FORM

A. Section I - Claims Made and Reported Liability Coverages is amended as follows:

1. Sub-section **H. Liability Conditions** is amended to add the following:

Your Right to Liability Claims Information

We will provide the Named Insured shown in the Declarations the following information relating to this and any preceding Preferred Community Association Management Coverage Form we have issued to you during the previous three years:

a. A list or other record of each "claim" or "loss", or of a "wrongful act" that may result in a "claim" or a "loss", not previously reported to any other insurer, of which we were notified in accordance with Conditions **1. Duties In The Event Of Claim** and **4. Notice of Wrongful Acts** in Sub-section **H.** We will include the date and brief description of the "claim" or "loss", or of the "wrongful act" that may result in a "claim" or a "loss", if that information was in the notice we received.

b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Annual Aggregate Limit of Liability.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew this Coverage Form, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide the information within 30 days of receipt of the request.

We compile "claim" and "loss" information, and information about an occurrence, offense or situation that may result in a "claim" or a "loss", for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information

2. The definition of "loss" in Sub-section **I. Definitions** is amended to delete Paragraph **11.b.** and replace it with the following:

b. Taxes, fines, penalties or liquidated damages, including civil or criminal fines or penalties imposed by law;

B. Section III - Common Conditions is amended as follows:

1. Paragraphs **2.** and **4.** in Condition **B. Cancellation** are deleted and replaced with the following:

2. We may cancel this Coverage Form by mailing through first-class mail to the first Named Insured, written notice of cancellation, as follows:

a. If this Coverage Form has been in effect for less than 60 days, we may cancel this Coverage Form for any reason, at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. If this Coverage Form has been in effect for 60 days or more, or is a renewal, we may cancel this Coverage Form at least:

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(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 45 days before the effective date of cancellation if we cancel for any of the following reasons:

(a) A false statement knowingly made by the insured on the application for insurance; or

(b) A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the first Named Insured has notified us of the change and we accept such change.

4. Our notice of cancellation will include the reason for cancellation and state the effective date of cancellation. The "policy period" will end on that date.

2. Condition **C. Concealment, Misrepresentation Or Fraud** is deleted and replaced with the following:

C. Concealment, Misrepresentation Or Fraud

1. We will not pay for any loss or damage in any case of:

a. Concealment or misrepresentation of a material fact; or

b. Fraud;

committed by you at any time and relating to coverage under this Coverage Form.

2. By accepting this coverage, you agree:

a. The statements and representations made during or as part of the application process for this coverage are accurate and complete;

b. We have issued this Coverage Form in reliance upon your statements and representations;

c. If any material statements or representations we relied upon in issuing this Coverage Form are untrue, this Coverage Form shall be cancelled; and

d. If an insured intentionally conceals or misrepresents a material fact or commits fraud relating to a "claim", then we will not pay for any "loss" or damage sustained by that insured.

3. Paragraph **1.** in Condition **D. Nonrenewal** is deleted and replaced with the following:

1. If we decide not to renew this Coverage Form, we will mail through first-class mail to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 45 days before the expiration date, or its anniversary date if it is written for a term of more than one year or with no fixed expiration date.

4. The following Condition is added:

Increase In Premium Or Decrease In Coverage

We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this Policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.

Any decrease in coverage during the policy term must be based on one or more of the following reasons:

a. Nonpayment of premium;

b. A false statement knowingly made by the insured on the application for insurance; or

c. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the first Named Insured has notified us of the change and we accept such change.

If notice is mailed, proof of mailing will be sufficient proof of notice.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

FARMERS INSURANCE

Dear Valued Customer,

Have the growth of your business and rising labor costs reduced the accuracy of the payroll or revenue shown on your policy? Have increased costs and inflationary trends reduced the protection provided by your policy? Building and Business Personal Property insurance limits, once adequate, may no longer meet today's repair or replacement costs.

To help compensate for these inflationary trends, the limits of insurance for Building and/or Business Personal Property coverages have been increased by a modest percentage. To keep your policy current with rising labor costs and normal business growth, the payroll and/or revenue have also been increased by a modest percentage.

This renewal offer includes the adjusted limits of insurance, payroll, revenue, and premium for your policy. The adjustments are relatively small, and they're based on estimated increases in the past year's construction and repair costs, as well as other inflationary factors, such as rising labor costs and normal business growth.

These increases do not guarantee adequate coverage for any loss; they are based on estimates. It is possible, for example, that updates or improvements to your property or increased sales might cause your individual needs for coverage to be greater than the amount provided by these adjustments. If you have not reviewed your policy recently, the effects of inflationary changes over time create the likelihood that the increases we made are less than the increases you need for optimal coverage.

These changes are made to better serve your insurance needs, and we encourage you to contact your Farmers® agent, who will be pleased to help you with a comprehensive review of your policy.

Acceptance of these changes does not waive the provisions of the coinsurance clause or any other policy clause.

Thank you for choosing Farmers. We appreciate your business.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

The following provisions are added to the applicable Liability Coverage Form **:**

A. Exclusion **j.** under Paragraph **B.1. Exclusions Applicable To Business Liability Coverage** is replaced by the following:

1. Applicable To Business Liability Coverage

This insurance does not apply to:

j. War

"Bodily injury", "property damage", "personal injury", "advertising injury" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war; or

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

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

B. Exclusion **h.** under Paragraph **B.2. Exclusions Applicable To Medical Expenses Coverage** does not apply. Medical Expenses due to war are now subject to Exclusion **g.** of Paragraph **B.2.** since "bodily injury" arising out of war is now excluded under Paragraph **B.1., Exclusions Applicable To Business Liability Coverage.**

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DISHONESTY EXCLUSION – TENANT VANDALISM EXCEPTION

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

1. Paragraph **2.e. Dishonesty** of Section **B. Exclusions** in the Apartment Owners Property Coverage Form and the Condominium Property Coverage Form is deleted and replaced with the following:

e. Dishonesty

(1) Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(a) Acting alone or in collusion with others; and

(b) Whether or not occurring during the hours of employment.

(2) This exclusion does not apply to:

(a) Acts of destruction, including vandalism by your employees; but theft by employees is not covered;

(b) Acts of destruction, including vandalism, or theft by a tenant who rents or leases a unit directly from you; or

(c) Carriers for hire with respect to accounts receivable and "valuable papers and records".

2. Paragraph **2.f. Dishonesty** of Section **B. Exclusions** in the Businessowners Special Property Coverage Form is deleted and replaced with the following:

f. Dishonesty

(1) Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(a) Acting alone or in collusion with others; and

(b) Whether or not occurring during the hours of employment.

(2) This exclusion does not apply to:

(a) Acts of destruction, including vandalism by your employees; but theft by employees is not covered;

(b) Acts of destruction, including vandalism, or theft by your tenants; or

(c) Carriers for hire with respect to accounts receivable and "valuable papers and records".

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

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LIMITED BIOHAZARDOUS SUBSTANCE COVERAGE

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

SCHEDULE

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

A. The following is added under Section **A.5. Additional Coverages** in the applicable Property Coverage Form:

Limited Biohazardous Substance Coverage

If a "biohazardous substance" resulting from the death of a tenant or guest causes direct physical damage to covered property, and if all reasonable means were used to save and preserve the property from further damage upon discovery of human remains:

1. We will pay for loss of or damage by a "biohazardous substance". As used in this Limited Coverage, the term loss or damage means:

a. Direct physical loss or damage to Covered Property at the described premises caused by or resulting from a "biohazardous substance" including the cost of the removal of human remains and any resulting "biohazardous substance";

b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "biohazardous substance"; and

c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided it is reasonable to believe that a "biohazardous substance" is present.

2. The most we will pay under this Limited Coverage for the sum of all loss or damage arising resulting from the death of a tenant or guest is $10,000 per occurrence subject to an aggregate limit of $20,000 per policy year, unless another Limit of Insurance is shown on the Declarations. These limits are subject to, and not in addition to the applicable Limit of Insurance on the affected property. Payments under this Limited Coverage are subject to and not in addition to the applicable Limit of Insurance on any Covered Property.

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

4. If there is covered loss or damage to Covered Property caused by a "biohazardous substance" resulting from the death of a tenant or guest by fire or lightning loss payment will not be limited by the terms of this Limited Coverage.

5. The following applies only if Business Income or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage.

a. If the loss which resulted in the presence of a "biohazardous substance" does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by such "biohazardous substance", we will pay for the actual loss of business income and extra expense you sustain. However, we will only pay for loss of business income and extra expense sustained in a period of not more than 30 days. The days need not be consecutive.

b. If a covered suspension of "operations" was caused by loss or damage other than the presence of a "biohazardous substance", but remediation of such "biohazardous substance" prolongs the "period of restoration", we will pay for the actual loss of business income and extra expense you sustain 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.

6. The following applies to Association Fees and Extra Expense coverage:

a. If the loss which resulted in the presence of a "biohazardous substance" does not in itself render a unit uninhabitable, but such unit is uninhabitable due to loss or damage to property caused by such "biohazardous substance", then our payment under the Association Fees and Extra Expense coverage is limited to the amount of lost fees and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

b. If loss or damage other than the presence of a "biohazardous substance" renders a unit uninhabitable, but remediation of such "biohazardous substance" prolongs the "period of restoration", we will pay for such loss of Association Fees and/or Extra Expense you sustain 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.

B. Section **H. Property Definitions** of the applicable Property Coverage Form is revised as follows:

1. The following definition is added:

"Biohazardous substance" means:

a. Human blood;

b. Bodily fluids;

c. Potentially infectious materials; or

d. Any virus, bacterium, or other microorganism that induces or is capable of inducing physical distress, illness or disease;

emanating from human remains that requires a bio-hazard clean up and material disposal.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J7493
1st Edition

WINDSTORM OR HAIL LOSS CONDITIONS AMENDMENT

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

A. Section **E. Property Loss Conditions** in the Apartment Owners Property Coverage Form, Businessowners Special Property Coverage Form and Condominium Property Coverage Form is amended as follows:

1. Paragraph **3. Duties In The Event Of Loss Or Damage** is amended to delete sub-paragraph **a.(2)** and replace it with the following:

(2) Give us prompt notice of the loss or damage. Include a description of the property involved. With respect to any claim for windstorm or hail damage, notice of a claim for such damage must be reported to us within one year after the date of loss or damage. If notice is given to us more than one year after the date of loss or damage, this policy shall not provide coverage for such claims.

B. Paragraph **E. Property Loss Conditions** in **Section I Property** of the Businessowners Coverage Form is amended as follows:

1. Sub-paragraph **3. Duties In The Event Of Loss Or Damage** is amended to delete item **a.(2)** and replace it with the following:

(2) Give us prompt notice of the loss or damage. Include a description of the property involved. With respect to any claim for windstorm or hail damage, notice of a claim for such damage must be reported to us within one year after the date of loss or damage. If notice is given to us more than one year after the date of loss or damage, this policy shall not provide coverage for such claims.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J7507
1st Edition

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

A. Paragraph **B. Exclusions** is amended as follows:

1. The following exclusion is added:

We will not pay for loss or damage caused directly or indirectly by 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.

Cyber Incident

a. Unauthorized access to or use of any computer system (including "electronic data").

b. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including "electronic data") and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including "electronic data") or otherwise disrupt its normal functioning or operation.

c. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

2. Exceptions And Limitations

a. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.a.** through **A.1.c.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

b. Computer Fraud And Funds Transfer Fraud Coverage

The exclusion in Paragraph **A.1.** does not apply to Computer Fraud And Funds Transfer Fraud Coverage when attached to your policy.

c. Cyber Liability And Data Breach Response Coverage Form

The exclusion in Paragraph **A.1.** does not apply to the Cyber Liability And Data Breach Response Coverage Form when attached to your policy.

d. Social Engineering Coverage

The exclusion in Paragraph **A.1.** does not apply to Social Engineering Coverage when attached to your policy.

3. Vandalism

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph **A.1.**

B. For the purposes of this endorsement, the following definitions apply:

1. "Computer" means:

a. 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 and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production-type machinery or equipment.

2. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J7504
1st Edition

COSMETIC DAMAGE EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

SCHEDULE

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

A. The following provision applies with respect to the building(s) identified in the Schedule above:

We will not pay for "cosmetic damage" caused by windstorm or hail to metal roof surfaces, "metal roof materials", or "metal exterior building surfaces" that are part of the buildings and structures.

B. For purposes of this endorsement, the following definitions apply:

1. "Cosmetic damage" means:

Marring, pitting or other superficial damage that has altered the exterior appearance of the metal roof surfaces, "metal roof materials", "metal exterior building surfaces", and/or their finishes, caused by windstorm or hail. This includes, but is not limited to, any disfigurement, blemish, discoloration, weathering, stretching, scratching, chipping, cracking, scorching, denting, creasing, gouging, fading, staining, tearing, oxidizing, blistering, or thinning.

2. "Metal roof materials" include:

a. All metal component parts of the roof which are exposed to the weather, including those which extend above the surface of the roof, including, but not limited to all vents, vent caps, turbines and piping;

b. Any materials that are installed when repairing or replacing "metal roof materials", including, but not limited to, sheathing, decking, and flashing.

3. "Metal exterior building surfaces" include:

a. HVAC unit enclosures, covered parking structures, skylights, flashings, chimney caps, siding, doors, roofs, walls, window frames and gutters.

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FARMERS INSURANCE

J7122
2nd Edition

LOSS PAYMENT CONDITION – PROFIT, OVERHEAD, AND INCREASED FEES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by this endorsement.

Paragraph **6.d.** of Sub-section **E. Property Loss Conditions** of **Section I - PROPERTY** of the Businessowners Coverage Form, Paragraph **6.d.** of Section **E. Property Loss Conditions** of the Businessowners Special Property Coverage Form and the Apartment Owners Property Coverage Form, and Paragraph **5.d.** of Section **E. Property Loss Conditions** of the Condominium Property Coverage Form is amended as follows:

Sub-paragraph **(1)** is amended to add the following:

(f) We will not pay for the increased fee, charge or cost attributable to a general contractor s profit and overhead or other similar fees or charges, unless you have incurred them and they are reasonable.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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FARMERS INSURANCE

J7544
1st Edition

CYBER INCIDENT LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

The applicable Liability Coverage Form and **Section II - Liability** of the BUSINESSOWNERS COVERAGE FORM are amended as follows:

A. The following exclusion is added to Paragraph **1. Applicable To Business Liability Coverage** under **B. Exclusions**:

This insurance does not apply to:

Cyber Incident

"Bodily injury", "property damage", or "personal and advertising injury" arising out of a "cyber incident".

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion expenses or any other similar cost or expense incurred by you or others arising out of a "cyber incident".

B. For the purposes of this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions**:

"Cyber incident" means any:

1. Unauthorized access to or use of any computer system.

2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system or otherwise disrupt its normal functioning or operation.

3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY
CONDOMINIUM POLICY

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

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Policy Number: 60663-38-37

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J6351
2nd Edition

LIMITED TERRORISM EXCLUSION (OTHER THAN CERTIFIED ACTS OF TERRORISM); CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the policy number indicated above.

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **B.2.**) applies to property located in the following state(s):
California, Hawaii, Iowa, Illinois, Massachusetts, Maine, Missouri, North Carolina, New Jersey, New York, Oregon, Rhode Island, Virginia, Washington, Wisconsin, West Virginia
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following definitions are added with respect to the provisions of this endorsement:

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

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

2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act. However, "other act of terrorism" does not include an act which meets the criteria set forth in Paragraph **b.** of the definition of "certified act of terrorism" when such act resulted in aggregate losses of $5 million or less.

B. The **Property Coverage Form** attached to this policy is amended as follows:

1. The following exclusion is added:

EXCLUSION OF AN "OTHER ACT OF TERRORISM"

We will not pay for loss or damage caused directly or indirectly by an "other act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

a. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

b. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials; or

c. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds $25,000,000. In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "other acts of terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident.

With respect to this item, **B.1.c.** the immediately preceding paragraph describes the threshold used to measure the magnitude of an "other act of terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an "other act of terrorism", there is no coverage under this Policy.

2. Exception Covering Certain Fire Losses

The following exception to the Exclusion in Paragraph **B.1.** applies only if indicated and as indicated in the Schedule of this endorsement.

If an "other act of 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 exception does not apply to insurance provided under business income and/or extra expense coverage or endorsements that apply to those coverages.

C. The **Liability Coverage Form** attached to this policy is amended as follows:

1. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

a. The total of insured damage to all types of property exceeds $25,000,000. In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

b. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:

(1) Physical injury that involves a substantial risk of death; or
(2) Protracted and obvious physical disfigurement; or
(3) Protracted loss of or impairment of the function of a bodily member or organ; or

c. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

d. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

e. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs **C.1.a.** and **b.** describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

2. The following definition is added:

a. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

D. APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

E. CAP ON CERTIFIED TERRORISM LOSSES

The following limitation applies to property and liability coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of Paragraph **D.**

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

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

FARMERS INSURANCE

s0741
COLORADO
4th EDITION

COLORADO CHANGES

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY
CONDOMINIUM POLICY

A. The applicable LIABILITY COVERAGE FORM is revised as follows:

The term "spouse" is replaced by the following:
Spouse or party to a civil union recognized under Colorado law.

B. The applicable COMMON POLICY CONDITIONS form is revised as follows:

1. Condition **A. Cancellation** is amended as follows:

a. Paragraph **A.2.** is deleted and replaced with the following:

2. a. If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

(1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy by mailing through first class mail to the first Named Insured written notice of cancellation at least:

(1) 10 days before the effective date of cancellation, if we cancel for non-payment of premium; or

(2) 45 days before the effective date of cancellation if we cancel for any other reason.

c. We may only cancel this policy based on one or more of the following reasons:

(1) Non-payment of premium;

(2) A false statement knowingly made by the insured on the application for insurance; or

(3) A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

d. Our notice of cancellation will state the reason for cancellation if we cancel for any reason other than non-payment of premium.

b. Paragraph **A.6.** is deleted in its entirety.

2. Condition **C. Concealment, Misrepresentation Or Fraud** is deleted and replaced with the following:

C. Concealment, Misrepresentation Or Fraud

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or

2. Fraud;

committed by you or any other insured ("insured") at any time and relating to coverage under this policy.

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3. The following Condition is added and supersedes any other provision to the contrary:

M. Nonrenewal

If we decide not to renew this policy, we will mail through first-class mail to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 45 days before the expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

4. The following Condition is added:

N. Increase In Premium Or Decrease In Coverage

We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.

Any decrease in coverage during the policy term must be based on one or more of the following reasons:

1. Nonpayment of premium;

2. A false statement knowingly made by the insured on the application for insurance; or

3. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

If notice is mailed, proof of mailing will be sufficient proof of notice.

C. The CONDOMINIUM COMMON POLICY CONDITIONS form is amended as follows:

Paragraph **H. Other Insurance** is deleted and replaced with the following:

H. Other Insurance

1. If there is other insurance covering the same loss or damage, 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.

2. This policy's Condominium Liability Insurance is excess over any other insurance that insures for direct physical loss or damage.

3. When this insurance is excess, we will have no duty under Condominium Liability Insurance to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insureds rights against all those other insurers.

4. A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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FARMERS INSURANCE

J6350
1st Edition

EMPLOYEE DISHONESTY - PROPERTY MANAGER

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by this endorsement.

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM

A. Paragraph G.5.j. under Optional Coverages - Employee Dishonesty is deleted and replaced by the following:

j. With respect to coverage provided under this Optional Coverage, "employee" means any natural person who receives compensation for working in your regular service in the ordinary course of your business.

(1) "Employee" also includes your directors and officers, whether compensated or not.

(2) "Employee" additionally includes any natural person acting solely as an employee of a real estate property management firm while that person is performing real estate management duties for the named insured.

(3) "Employee" does not include any broker, consignee, contractor or other agent or representative of the same general character (other than a property management company). Additionally, "employee" does not include any director or trustee of the real estate property management firm except while performing acts within the scope of the usual duties of its' employee.

Employee Dishonesty coverage does not apply when any Association director, officer or managers is performing duties outside the scope of his or her normal duties as an Association director, officer or manager for the Named Insured.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

FARMERS INSURANCE

E6288
3rd Edition

EXCLUSION - CONVERSION PROJECTS

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by this endorsement.

This endorsement modifies insurance provided under the following:

Apartment Owners Liability Coverage Form
Condominium Liability Coverage Form

A. The following is added to Section B. EXCLUSIONS, Paragraph 1. Applicable To Business Liability Coverage of the applicable Coverage Form:

Conversion Projects

"Bodily injury", "property damage" or "personal and advertising injury" including loss adjustment expense that arises out of, is related to, or connected with any "Conversion Project".

B. For the purposes of this endorsement, the following definition is added to Section F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS of the applicable Coverage Form:

22. "Conversion Project" means any activities whereby all or part of an existing structure is converted into a condominium, townhouse, apartment, hotel, motel, any multiple use residential or commercial building, or any such change of use as referenced in any applicable laws.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J7230
1st Edition

SUPPLEMENTARY PAYMENTS

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

Paragraph **d.** or **f. Coverage Extension – Supplementary Payments** of the applicable coverage form is deleted and replaced with the following:

Coverage Extension – Supplementary Payments

(1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

(a) All expenses we incur.

(b) Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

(d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.

(e) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

(f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

(g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

(2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

(a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

(b) This insurance applies to such liability assumed by the insured;

(c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

(d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

(e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

(f) The indemnitee:

(i) Agrees in writing to:

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i. Cooperate with us in the investigation, settlement or defenseof the "suit";

ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

iii. Notify any other insurer whose coverage is available to the indemnitee; and

iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(ii) Provides us with written authorization to:

i. Obtain records and other information related to the "suit"; and

ii. Conduct and control the defense of the indemnitee in such "suit".

(3) So long as the conditions in Paragraph **(2)** are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Subparagraph **b.(2)** of the Contractual Liability Exclusion, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

(a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or

(b) The conditions set forth above, or the terms of the agreement described in Paragraph **(2)(f)** above, are no longer met.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARMERS INSURANCE

J7545
1st Edition

EXCLUSION - VIOLATION OF LAWS ADDRESSING RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION AND DATA PRIVACY

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph **1. Applicable To Business Liability Coverage** under **B. Exclusions** in the applicable Liability Coverage Form and **Section II - Liability** of the BUSINESSOWNERS COVERAGE FORM:

This insurance does not apply to:

Violation of Laws Addressing Recording And Distribution Of Material Or Information And Data Privacy

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate any of the following:

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

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

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

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

5. Any federal, state or local statute, ordinance, regulation or other law that addresses, prohibits, or limits access to, use of or the printing, dissemination, disposal, obtaining, collecting, storing, safeguarding, recording, retention, sending, transmitting, communicating, selling or distribution of any person's or organization's confidential or personal material or information, including financial, health, biometric or other nonpublic material or information.

Any such federal, state or local statute, ordinance, regulation or other law includes but is not limited to:

(a) The Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law; or

(b) The California Consumer Privacy Act (CCPA), including any amendment of or addition to such law.

6. Any law of a jurisdiction other than the United States of America (including its territories and possessions) or Puerto Rico that is similar to any statute, ordinance, regulation or other law described in Paragraph a. above, including but not limited to the European Union's General Data Protection Regulation.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

FARMERS INSURANCE

Reciprocal Provisions

Applies only if this policy is issued by ~~Truck Insurance~~ Exchange, Farmers Insurance Exchange, or Fire Insurance Exchange.

This policy is made and issued in consideration of your premium payment to us. It is also issued in consideration of the information you gave to us during the application process, some of which is set out in the Declarations, and in consideration of the Subscription Agreement, which is provided to you and is incorporated herein by reference. You acknowledge that you have read, understood, and agree to all the terms and conditions of the Subscription Agreement. Among other things, the Subscription Agreement appoints your Attorney-in-Fact, authorizes your Attorney-in-Fact to execute interinsurance policies between you and other subscribers and to perform various functions, and addresses compensation of the Attorney-in-Fact. Membership fees that you pay as a subscriber are not part of the premium and are not returnable, unless otherwise required by state law.

We hold the Annual Meeting of the members of the Truck Insurance Exchange at our Home Office at Los Angeles, California, on the first Tuesday following the first Monday following the 15th day of March each year at 1:00 p.m. If this policy is issued by Farmers Insurance Exchange, we hold the Annual Meeting of the members of Farmers Insurance Exchange at our Home Office at Los Angeles, California, on the first Monday following the 15th day of March each year at 2:00 pm. If this policy is issued by Fire Insurance Exchange, we hold the Annual Meeting of the members of Fire Insurance Exchange at our Home Office at Los Angeles, California, on the first Monday following the 15th day of March each year at 10:00 a.m. The Board of Governors may elect to change the time and place of the meeting. If they do so, you will be mailed a written or printed notice at your last known address at least ten (10) days before such a time, barring a public safety incident or an emergency situation that would prevent timely notice. Otherwise, no notice will be sent to you.

The Board of Governors shall be chosen by subscribers from among yourselves. This will take place at the Annual Meeting or at any special meeting that is held for that purpose. The Board of Governors shall have full power and authority to establish such rules and regulations for our management as are not inconsistent with the Subscription Agreement.

Your premium for this policy and all payment made for its continuance shall be payable to us at our Home Office or such location named by us in your premium notice.

This policy is non-assessable.

Policy Fee Provisions

Applies only if this policy is issued by Mid-Century Insurance Company.

If you pay a policy fee it is fully earned when the policy is issued. It is not part of the premium. It is not returnable.

TRUCK INSURANCE EXCHANGE
By Truck Underwriters Association
Attorney-in-Fact

FIRE INSURANCE EXCHANGE
By Fire Underwriters Association
Attorney-in-Fact

Chau Do

Secretary

FARMERS INSURANCE EXCHANGE
By Farmers Underwriters Association
Attorney-in-Fact

MID-CENTURY INSURANCE COMPANY



President Of Business Insurance