



COMMERCIAL INSURANCE
POLICY

TRAVELERS BOP

PREPARED FOR:

TROON AT KILDAIRE CONDOMINIUM
PO BOX 1149
APEX, NC 27502

PRESENTED BY:

CAROLINA INS GROUP
125 TIMBER DR STE 105
GARNER, NC 27529

Claims Reporting: 1-800-238-6225

Policy Period: 06/19/2022 through 06/19/2023

Policy Number: BIP-9P501459-22-42

Insuring Company: FIDELITY AND GUARANTY INSURANCE COMPANY

TRAVELERS 

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RENEWAL CERTIFICATE**COMMON POLICY DECLARATIONS****POLICY NO.:** BIP-9P501459-22-42**ISSUE DATE:** 05/04/2022**BUSINESS:** Residential Con**INSURING COMPANY:** FIDELITY AND GUARANTY INSURANCE COMPANY**1. NAMED INSURED AND MAILING ADDRESS:**TROON AT KILDAIRE CONDOMINIUM
PO BOX 1149
APEX NC 27502**2. POLICY PERIOD:** From 06/19/2022 to 06/19/2023 12:01 A.M. Standard Time at your mailing address.**3. LOCATIONS:**

PREM. NO.NO.	BLDG.	OCCUPANCY	ADDRESS (same as Mailing Address unless specified otherwise)
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SEE IL T0 20 02 05

4. COVERAGE PARTS AND SUPPLEMENTS FORMING PART OF THIS POLICY AND INSURING COMPANIES

COVERAGE PARTS and SUPPLEMENTS	INSURING COMPANY
Travelers Property Coverage Part	SFG
Commercial General Liability Coverage Part	SFG
Directors & Officers Coverage Supplement	SFG

5. The COMPLETE POLICY consists of this declarations and all other declarations, and the forms and endorsements for which symbol numbers are attached on a separate listing.**6. SUPPLEMENTAL POLICIES:** Each of the following is a separate policy containing its complete provisions.

POLICY DIRECT BILL	POLICY NUMBER	INSURING COMPANY
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7. PREMIUM SUMMARY:

Provisional Premium	\$	42,467.00
Due at Inception	\$	
Due at Each	\$	

NAME AND ADDRESS OF AGENT OR BROKER
CAROLINA INS GROUP FM352
125 TIMBER DR STE 105
GARNER

NC 27529

COUNTERSIGNED BY:

Authorized Representative

05/04/2022

DATE: _____



**TRAVELERS PROPERTY
COVERAGE PART DECLARATIONS**

POLICY NO.: BIP-9P501459-22-42
ISSUE DATE: 05/04/2022

INSURING COMPANY: FIDELITY AND GUARANTY INSURANCE COMPANY

FORM OF BUSINESS: ASSOCIATION

DECLARATIONS PERIOD: From 06-19-22 to 06-19-23 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

TRAVELERS PROPERTY COVERAGE PART

The Travelers Property Coverage Part consists of these Declarations and the attached Supplemental Declaration(s), Schedule(s), Table of Contents, Commercial Property Conditions, the Coverage Form(s), and endorsements.

1. **COVERAGE:** Insurance applies only to premises location(s) and building number(s) shown in the Supplemental Declarations. Unless otherwise provided under TP T3 80 Travelers Property Specific Limits Endorsement, the Supplemental Declarations will show coverage(s), optional coverage(s) and applicable Limits of Insurance that apply to such premises location(s) and building number(s).

If a specified limit of insurance is shown below for:

- a. Tenant Improvements and Betterments;
- b. Stock; or
- c. Personal Property of Others;

then that limit is not included in the Business Personal Property Limit of Insurance:

If *Not Covered* is shown for Stock or Personal Property of Others, then that property is not covered under Business Personal Property for that premises location and building number

TRAVELERS PROPERTY COVERAGE FORM:

2. **ADDITIONAL COVERAGES & COVERAGE EXTENSIONS**

The following Additional Coverages and Coverage Extensions are provided under the Coverage Form listed above for the Limits of Insurance shown. These Limits of Insurance apply in any one occurrence unless otherwise stated.

Some Additional Coverages and Coverage Extensions or the applicable Limits of Insurance may be modified by endorsement(s) attached to this policy. There may also be other Additional Coverages or Coverage Extensions within your policy. Please read it carefully.

Additional Coverages	Limits Of Insurance
Fine Arts	\$ 10,000
Limited Coverage Fungus, Wet Rot or Dry Rot	\$ 15,000

3. **DEDUCTIBLE:** The following deductible applies unless a different or more specific deductible is indicated within this Declarations or by endorsement.

\$ 10,000 per occurrence

**TRAVELERS PROPERTY
COVERAGE PART DECLARATIONS**
POLICY NO.: BIP-9P501459-22-42
ISSUE DATE: 05/04/2022

 BUILDING GLASS DEDUCTIBLE
 \$ 10,000 per occurrence

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM:

If a time period or dollar limit is shown below for the Business Income (And Extra Expense) Coverage Form or Extra Expense Coverage Form, the applicable Blanket Limit applies to all premises location(s) and building number(s), unless *Not Covered* is shown for a premises location(s) or a specific Business Income (And Extra Expense) or Extra Expense Coverage Form limit is shown for a premises location(s) and building number(s) in the Supplemental Declarations or Travelers Property Specific Limits Endorsement (TP T3 80).

BUSINESS INCOME (AND EXTRA EXPENSE) BLANKET LIMIT
 \$ 472,001

Rental Value: Include

Ordinary Payroll: Include

Period of Restoration - Time Period: Immediately

Extended Business Income: 60 days

Dependent Properties - within coverage territory \$ 10,000

 Dependent Properties - outside coverage territory *Not Covered*

Interruption of Computer Operations \$ 25,000

Supplemental Declarations
PREMISES LOCATION NO.: 001

BUILDING NO.: ALL

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	\$ 23,605,285 Blanket 1	RC*	N/A	0.0%

PREMISES LOCATION NO.: 002

BUILDING NO.: ALL

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	Include in Blanket 1	RC*	N/A	0.0%



TRAVELERS PROPERTY
COVERAGE PART DECLARATIONS

POLICY NO.: BIP-9P501459-22-42
ISSUE DATE: 05/04/2022

PREMISES LOCATION NO.: 003 BUILDING NO.: ALL

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	Include in Blanket 1	RC*	N/A	0.0%

PREMISES LOCATION NO.: 004 BUILDING NO.: ALL

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	Include in Blanket 1	RC*	N/A	0.0%

PREMISES LOCATION NO.: 005 BUILDING NO.: ALL

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	Include in Blanket 1	RC*	N/A	0.0%

PREMISES LOCATION NO.: 006 BUILDING NO.: ALL

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	Include in Blanket 1	RC*	N/A	0.0%

PREMISES LOCATION NO.: 007 BUILDING NO.: 001

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	Include in Blanket 1	RC*	N/A	0.0%
BUSINESS PERSONAL PROPERTY *Replacement Cost	Include in Blanket 1	RC*	N/A	0.0%

**TRAVELERS PROPERTY
COVERAGE PART DECLARATIONS****POLICY NO.:**
ISSUE DATE:

Coverage Extensions

Accounts Receivable	\$	25,000
Valuable Papers	\$	25,000
Electronic Data Processing Data & Media	\$	10,000

POLICY NUMBER: BIP-9P501459-22-42

EFFECTIVE DATE: 06/19/2022

ISSUE DATE: 05/04/2022

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS
BY LINE OF BUSINESS

PN T9 38 12 12	IMPORTANT NOTICE TO NORTH CAROLINA POLICYHOLDERS - CAUSES OF LOSS NOT COVERED
* IL T4 24 07 18	RENEWAL CERTIFICATE
* TP T0 01 07 18	TRAVELERS PROPERTY COVERAGE PART DECLARATIONS
* IL T8 01 01 01	FORMS ENDORSEMENTS AND SCHEDULE NUMBERS
IL T4 25 07 18	COMMON POLICY CONDITIONS
TP T0 29 07 18	IMPORTANT INFORMATION FOR POLICYHOLDERS
* IL T0 20 02 05	ADDITIONAL LOCATIONS

BUSINESSOWNERS

* TP T3 51 07 18	WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE
TP T1 30 07 18	TABLE OF CONTENTS - TRAVELERS PROPERTY COVERAGE PART
TP T4 32 07 18	AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE - MULTISTATE
CP T3 81 01 21	FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
* TP T3 79 07 18	CAUSES OF LOSS - EQUIPMENT BREAKDOWN
* TP T3 82 07 18	CRIME ADDITIONAL COVERAGES
TP T1 00 07 18	TRAVELERS PROPERTY COVERAGE FORM
TP T1 01 07 18	TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
* TP T1 71 07 18	BUILDING OWNERS ENDORSEMENT
TP T9 70 07 18	POWER PAC
TP T5 36 07 18	NORTH CAROLINA CHANGES

COMMERCIAL GENERAL LIABILITY

* CG T0 01 11 03	COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS
* CG T0 07 04 09	DECLARATIONS PREMIUM SCHEDULE
CG T0 34 02 19	TABLE OF CONTENTS - COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG T1 00 02 19
CG T1 00 02 19	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG D2 37 02 19	EXCLUSION - REAL ESTATE DEVELOPMENT ACTIVITIES - COMPLETED OPERATIONS
CG D2 03 12 97	AMEND - NON CUMULATION OF EACH OCC
* CG D4 12 04 08	DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT COMMUNITY ASSOCIATIONS
CG 01 27 11 85	CONDOMINIUMS
CG D2 43 01 02	FUNGI OR BACTERIA EXCLUSION
CG D4 21 07 08	AMEND CONTRAL LIAB EXCL - EXC TO NAMED INS
CG D6 18 10 11	EXCLUSION - VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS

* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.

POLICY NUMBER: BIP-9P501459-22-42

EFFECTIVE DATE: 06/19/2022

ISSUE DATE: 05/04/2022

COMMERCIAL GENERAL LIABILITY (CONTINUED)

CG D0 76 06 93 EXCLUSION - LEAD
CG D1 42 02 19 EXCLUSION - DISCRIMINATION
CG F4 49 06 07 DIR AND OFF LIAB ENDR - COMMUNITY ASSOCIATIONS -
EXTENDED REPORTING PERIOD - NC

MULTIPLE SUBLINE ENDORSEMENTS

CG T3 33 11 03 LIMITATION WHEN TWO OR MORE POLICIES APPLY

INTERLINE ENDORSEMENTS

IL T3 68 01 21 FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
IL T4 12 03 15 AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 21 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL T4 27 06 19 ADDITIONAL BENEFITS
IL T4 40 10 20 PROTECTION OF PROPERTY
IL 00 21 09 08 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD
FORM)
IL 02 69 09 08 NORTH CAROLINA CHANGES - CANCELLATION AND NONRENEWAL
IL T9 06 09 87 NORTH CAROLINA EFFECTIVE TIME CHANGES

POLICY HOLDER NOTICES

* PN T1 94 11 21 IMPORTANT NOTICE - LEAD EXCLUSION
* PN T4 54 01 08 IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND
BROKER COMPENSATION
PN MP 38 01 11 IMPORTANT NOTICE - JURISDICTIONAL INSPECTIONS

* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.

ADDITIONAL LOCATIONS
CONDOMINIUM PACPOLICY NO.: BIP-9P501459-22-42
ISSUE DATE: 05/04/2022**THIS SCHEDULE OF LOCATIONS AND BUILDINGS APPLIES
TO THE COMMON DECLARATIONS FOR THE PERIOD**

06/19/2022 to 06/19/2023

PREMISES LOCATION NUMBER	BUILDING NUMBER	OCCUPANCY	ADDRESS
001	ALL	540K BUILDINGS	200 BAINES CT CARY NC 27511
002	ALL	235K BUILDINGS	805 COALBURN PL CARY NC 27511
003	ALL	490 K BUILDINGS	1111 THISTLE BRIAR PL CARY NC 27511
004	ALL	595K BUILDINGS	1115 THISTLE BRIAR PL CARY NC 27511
005	ALL	BUILDINGS 5	235 BAINES CT CARY NC 27511
006	ALL	BUILDINGS 6	110 THISTLE BRIAR PL CARY NC 27511
007	001	CLUBHOUSE	200 BAINES CT CARY NC 27511

TRAVELERS PROPERTY



TRAVELERS PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE FORM

Minimum Dollar Amount Deductible Per Occurrence: \$

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

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

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings:

1. Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance;
2. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limits of Insurance are shown in the Declarations.

WINDSTORM OR HAIL DEDUCTIBLE CLAUSE

A. Calculation Of The Deductible – All Policies

1. A Percentage (%) Windstorm or Hail Deductible is calculated separately for, and applies separately to:
 - a. Each building, if two or more buildings sustain loss or damage;
 - b. The building and to personal property in that building, if both sustain loss or damage;

- c. Personal property at each building, if personal property at two or more buildings sustains loss or damage;
- d. Personal property in the open;
- e. Any other property insured under this Coverage Form.

2. If, in addition to the Percentage Deductible, a Minimum Dollar Amount Deductible Per Occurrence is shown in this endorsement, the least we will deduct in any one occurrence for all buildings, property or premises that sustain loss or damage is the dollar amount shown in this endorsement.

3. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limits of Insurance, after any reduction required by any applicable coinsurance condition.

B. Calculation Of The Deductible – Specific Insurance

When specific insurance applies, we will calculate the deductible as follows. Subject to Paragraph **A.2.** above, in determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5% or 10% (as shown in the Windstorm Or Hail Deductible Schedule) of the Limits of Insurance applicable to the property that has sustained loss or damage.

C. Calculation Of The Deductible – Blanket Insurance

When blanket insurance applies, we will calculate the deductible as follows. Subject to Paragraph **A.2.** above, in determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5% or 10% (as shown in the Windstorm Or Hail Deductible Schedule) of the value of the proper-

ty that has sustained loss or damage. The values to be used are those shown in the most recent Statement of Values on file with us. If there is no Statement of Values on file with us or if the Statement of Values on file with us is dated more than two years before the date of loss, then the value used will be the value of the property at the time of loss.

D. Calculation Of The Deductible – Property Covered Under The Newly Acquired or Constructed Property Additional Coverage

The following applies when property is covered under the **Newly Acquired or Constructed Property Additional Coverage**:

Subject to Paragraph **A.2.** above, in determining the amount, if any, that we will pay for loss or damage to such property, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Windstorm Or Hail Deductible Schedule.

EXAMPLES – APPLICATION OF DEDUCTIBLE

Example #1 – Specific Insurance

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The value of the damaged building at time of loss is \$1,000,000. The value of the business personal property in that building is \$800,000.

The **actual** Limits of Insurance on the damaged property are \$800,000 on the building and \$640,000 on the business personal property.

The Deductible is 2%.

The Minimum Dollar Amount Deductible Per Occurrence is \$25,000.

Building

Step (1): $\$800,000 \times 2\% = \$16,000$

Step (2): $\$60,000 - \$16,000 = \$44,000$

Business Personal Property

Step (1): $\$640,000 \times 2\% = \$12,800$

Step (2): $\$40,000 - \$12,800 = \$27,200$

Based on the calculation of the Percentage Deductible, the most we will pay is \$71,200 (\$44,000 + \$27,200).

The portion of the total loss that is not covered due to the application of the Percentage Deductible is \$28,800 (\$16,000 + \$12,800).

The application of the Minimum Dollar Amount Deductible Per Occurrence had no effect since the calculated Percentage Deductible exceeded \$25,000.

Example #2 – Specific Insurance

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 \$300,000 on the building and \$250,000 on the business personal property.

The Deductible is 2%.

The Minimum Dollar Amount Deductible Per Occurrence is \$25,000.

Building

Step (1): $\$300,000 \times 2\% = \$6,000$

Step (2): $\$60,000 - \$6,000 = \$54,000$

Business Personal Property

Step (1): $\$250,000 \times 2\% = \$5,000$

Step (2): $\$40,000 - \$5,000 = \$35,000$

Based on the calculation of the Percentage Deductible, the most we will pay is \$89,000 (\$54,000 + \$35,000).

The portion of the total loss that is not covered due to the application of the Percentage Deductible is \$11,000 (\$6,000 + \$5,000).

However, in this case, the Minimum Dollar Amount Deductible Per Occurrence is \$25,000, so the most we will pay is \$75,000 (\$60,000 + \$40,000 = \$100,000 – \$25,000).

Example #3 – Specific Insurance

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1): $\$70,000 \div \$80,000 = .875$

Step (2): $\$60,000 \times .875 = \$52,500$

Step (3): $\$70,000 \times 1\% = \700

Step (4): $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of

the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Steps (3) and (4)).

Example #4 – Blanket Insurance

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000) as shown in the Declarations is \$2,000,000.

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building #1) and \$20,000 (Building #2).

The Deductible is 2%.

The Minimum Dollar Amount Deductible Per Occurrence is \$25,000.

Building #1

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$40,000 - \$10,000 = \$30,000$

Building #2

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$20,000 - \$10,000 = \$10,000$

Based on the calculation of the Percentage Deductible, the most we will pay is \$40,000 (\$30,000 + \$10,000). The portion of the total loss that is not covered due to the application of the Percentage Deductible is \$20,000.

However, in this case, the Minimum Dollar Amount Deductible Per Occurrence is \$25,000, so the most we will pay is \$35,000 (\$40,000 + \$20,000 =

\$60,000 – \$25,000).

Example #5 – Blanket Insurance

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2 and #3, shown in the Declarations, is \$1,800,000. Therefore there is no Coinsurance penalty.

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building #1) and \$20,000 (Building #2).

The Deductible is 2%.

Building #1

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$40,000 - \$10,000 = \$30,000$

Building #2

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss not covered due to the application of the Deductible is \$20,000.

WINDSTORM OR HAIL DEDUCTIBLE SCHEDULE

Prem/Loc No.	Building No.	Windstorm or Hail Deductible Percentage - enter 1%, 2%, 3%, 4%, 5% or 10%
001	ALL	1.0 %
002	ALL	1.0 %
003	ALL	1.0 %
004	ALL	1.0 %
005	ALL	1.0 %
006	ALL	1.0 %
007	001	1.0 %

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAUSES OF LOSS – EQUIPMENT BREAKDOWN

This endorsement modifies insurance provided under the following:
TRAVELERS PROPERTY COVERAGE PART

A. ADDITIONAL COVERED CAUSE OF LOSS – EQUIPMENT BREAKDOWN

Covered Causes of Loss and "specified causes of loss" are extended to include Equipment Breakdown, meaning a Breakdown to Covered Equipment as defined and limited in this endorsement.

1. Breakdown

- a. Breakdown means:
 - (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure, including arcing; that causes physical damage to Covered Equipment and necessitates its repair or replacement.
- 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;
 - (5) The functioning of any safety or protective device; or
 - (6) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.
- c. If an initial Equipment Breakdown causes other Equipment Breakdowns, all will be considered one Equipment

Breakdown. All Equipment Breakdowns that manifest themselves at the same time and are the direct result of the same cause will also be considered one Equipment Breakdown.

2. Covered Equipment

- a. Covered Equipment means equipment of a type listed in paragraph **2.b.** below that is:
 - (1) At any of the following locations:
 - (a) At or within 1,000 feet of the described premises; or
 - (b) At any of the following locations, but only to the extent that coverage for direct physical loss or damage to Covered Property at such locations or for Business Income and/or Extra Expense resulting from direct physical loss or damage to property at such locations is otherwise specifically insured and limited under this Coverage Part:
 - (i) Newly acquired or constructed property locations, or within 1,000 feet of such locations;
 - (ii) Undescribed premises, meaning premises you do not own, lease or regularly operate at which Covered Property is temporarily located; or
 - (iii) "Dependent property" locations;
- and
- (2) (a) Owned or leased by you or operated under your control; or
 - (b) Owned or leased by, or operated under the control of others who

TRAVELERS PROPERTY

own, lease or operate the undescribed premises (as defined in (1) (b) (ii) above) or "dependent property" locations where the insurance provided under this Coverage Part applies;

and

(3) Not otherwise excluded under paragraph 2.c. below.

b. Covered Equipment includes the following types of equipment:

(1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;

(2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and

(3) Fiber optic cable.

c. Covered Equipment does not mean or include any:

(1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;

(2) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;

(3) Insulating or refractory material;

(4) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;

(5) Catalyst;

(6) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;

(7) Structure, foundation, cabinet or compartment supporting or containing the Covered Equipment or part of the Covered Equipment including penstock, draft tube or well casing;

(8) Vehicle, aircraft, self-propelled equipment or floating vessel, including any equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;

(9) Dragline, power shovel, excavation or construction equipment including any equipment mounted on or used solely with any dragline, power shovel, excavation or construction equipment;

(10) Felt, wire, screen, mold, form, pattern, 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;

(11) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);

(12) Computer equipment or electronic data processing equipment unless used to control or operate production-type machinery or other equipment that is Covered Equipment;

(13) Equipment or any part of such equipment manufactured by you for sale; or

(14) Equipment while in the due course of transit.

B. EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS

1. Spoilage

a. Under the Travelers Property Coverage Form, the insurance that applies to Business Personal Property is extended to apply to direct physical loss or damage to such Covered Property that is:

(1) Maintained under controlled conditions for its preservation; and

(2) Susceptible to loss or damage if the controlled conditions change;

due to spoilage resulting from lack or excess of power, light, heat, steam or refrigeration that is caused solely by a Breakdown to Covered Equipment.

Insurance under this Coverage Extension includes the reasonable expense you incur to reduce or avert the spoilage loss or damage, but only to the extent the amount of loss otherwise payable under this Coverage Extension is reduced.

- b. The most we will pay for loss or damage under this Coverage Extension arising out of any one Equipment Breakdown is the Spoilage Limit of Insurance shown in the Equipment Breakdown Schedule. This limit is included in and does not increase the Limit of Insurance that applies to the lost or damaged Covered Property.
- c. We will not pay for any loss or damage under this Coverage Extension that results from your failure to use due diligence and dispatch and all reasonable means to protect the property from spoilage damage following a Breakdown to Covered Equipment.

2. Utility Services Property

- a. Subject to paragraph 2.b. below, Covered Equipment is extended to include equipment, wherever located within the Coverage Territory, that is:
 - (1) Owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides utility services to the described premises; and
 - (2) Used to supply water, communication or power services to the described premises.
- b. This Coverage Extension applies:
 - (1) Only with respect to; and
 - (2) Subject to the Limits of Insurance that apply to;

the insurance, if any, otherwise provided under this Coverage Part for loss or damage caused by an interruption of power or other utility service supplied to the described premises caused by or resulting from a Covered Cause of Loss to the utility services equipment described in paragraph 2.a. above.

- c. We will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following:
 - (a) Fire;
 - (b) Lightning;
 - (c) Windstorm or hail;
 - (d) Explosion (except for steam or centrifugal explosion);
 - (e) Smoke;
 - (f) Aircraft or vehicles;
 - (g) Riot or civil commotion;
 - (h) Vandalism;
 - (i) Sprinkler Leakage;
 - (j) Falling objects;
 - (k) Weight of snow, ice or sleet;
 - (l) Freezing; or
 - (m) Collapse.

3. Expediting Expense

In the event of covered direct physical loss or damage to Covered Property caused by or resulting from a Breakdown to Covered Equipment, we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.

Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.

The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one Equipment Breakdown is the Expediting Expenses Limit of Insurance shown in the Equipment Breakdown Schedule. This limit is included in and does not increase the Limit of Insurance that applies to lost or damaged Covered Property.

C. EQUIPMENT BREAKDOWN EXCLUSIONS

- 1. The following Exclusions contained in Paragraph B. of the Travelers Property Coverage Form do not apply:
 - a. Exclusion B.2.a. Electrical Damage or Disturbance;
 - b. Exclusion B.2.d. (6) mechanical breakdown under the Other Type of Losses Exclusion; and
 - c. Exclusion B.2.e. Explosion.

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All other Exclusions that apply to this Coverage Part apply to loss or damage under this endorsement.

2. The following additional Exclusions apply to the insurance provided by this endorsement:

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. Lack or excess of power, light, heat, steam or refrigeration. But this Exclusion does not apply to:
 - (1) Business Income coverage or Extra Expense coverage; or
 - (2) The Spoilage Coverage Extension or Utility Services Property Coverage Extension;
- b. Hydrostatic, pneumatic or gas pressure testing of any boiler, fired vessel or electrical steam generator; or
- c. Insulation breakdown testing of any type of electrical or electronic equipment.

D. EQUIPMENT BREAKDOWN LIMITATIONS

1. Limitations (2) and (3) in Paragraph A.4.a. **Limitations** of the Travelers Property Coverage Form do not apply.

All other Limitations that apply to this Coverage Part apply to loss or damage under this endorsement.

2. The following additional Limitations apply to the insurance provided by this endorsement. Payments made under the following Limitations are included in and do not increase the applicable Limits of Insurance.

a. Ammonia Contamination Limitation

The most we will pay for loss or damage to property caused by ammonia contamination that directly results from a Breakdown to Covered Equipment is the Ammonia Contamination Limit of Insurance shown in the Equipment Breakdown Schedule.

This limitation does not apply to Business Income coverage or to Extra Expense coverage.

b. Hazardous Substance Limitation

If as a direct result of a Breakdown to Covered Equipment, property is damaged, contaminated or polluted by a

substance, other than ammonia, that is declared to be hazardous to health by a governmental agency, the Hazardous Substance Limit of Insurance shown in the Equipment Breakdown Schedule is the most we will pay for:

- (1) Any additional expenses you incur to clean up, repair, replace or dispose of any such property that is Covered Property under this Coverage Part; and
- (2) Any increase in loss of Business Income or Extra Expense due to the additional time required to clean up, repair, replace or dispose of the property, provided Business Income or Extra Expense loss resulting from damage to such property is otherwise insured against under this Coverage Part.

Subject to the Hazardous Substance Limit of Insurance, the term "period of restoration", as used in the Business Income and/or Extra Expense insurance provided under this Coverage Part is extended to include this additional period of time.

As used in this limitation, additional expenses and increase in loss mean expenses and loss incurred beyond the expenses and loss for which we would have been liable had no substance declared to be hazardous to health by a governmental agency been involved.

E. EQUIPMENT BREAKDOWN LIMITS OF INSURANCE

1. The insurance provided under this endorsement for loss or damage caused by or resulting from Equipment Breakdown is included in and does not increase the Covered Property, Business Income, Extra Expense or other coverage Limits of Insurance that otherwise apply under this Coverage Part.
2. The most we will pay under this endorsement for loss or damage caused by or resulting from Equipment Breakdown to the following Specific Equipment:
 - (a) "Diagnostic Equipment";
 - (b) "Power Generating Equipment"; and
 - (c) "Production Equipment".

is the Specific Equipment Limit of Insurance indicated in the Equipment Breakdown Schedule. If there is no Specific Equipment limit indicated in the Equipment Breakdown Schedule, then the Specific Equipment is included in the applicable Limits of Insurance that otherwise apply under this Coverage Part.

3. Payments under the Equipment Breakdown Coverage Extensions will not increase the applicable Limit(s) of Insurance.

F. EQUIPMENT BREAKDOWN DEDUCTIBLE

1. Unless otherwise indicated in the Equipment Breakdown Schedule, the insurance provided under this endorsement for loss or damage caused by or resulting from Equipment Breakdown is subject to the deductibles that otherwise apply under this Coverage Part.
2. When one or more separate deductibles are shown in the Equipment Breakdown Schedule, each such deductible will be applied separately to the applicable coverage for which the deductible is shown, as follows:

a. Dollar Deductible

If a dollar deductible is shown in the Equipment Breakdown Schedule, we will not pay for loss or damage until the amount of loss or damage to which the deductible applies exceeds the applicable dollar deductible. We will then pay the amount of loss or damage in excess of the dollar deductible, up to the applicable Limit of Insurance.

b. Time Period Deductible

If a time period deductible is shown in the Equipment Breakdown Schedule, we will not pay for any loss to which the deductible applies that occurs during the specified time period immediately following a Breakdown to Covered Equipment.

c. Average Daily Value Deductible

If an average daily value deductible is shown in the Equipment Breakdown Schedule, this deductible will be calculated as follows:

- (1) For all of the described premises where you incur Business Income or Extra Expense loss due to a

Breakdown to Covered Equipment, determine the total amount of Business Income that would have been earned or incurred by you during the "period of restoration" had no Breakdown to Covered Equipment occurred.

- (2) Divide the amount determined in paragraph (1) by the number of days the business would have been open during the "period of restoration". The result is the average daily value.
- (3) Multiply the average daily value in paragraph (2) by the Multiple of Average Daily Value shown in the Equipment Breakdown Schedule. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

d. Percentage of Loss Deductible

If a deductible is expressed as a percentage of loss in the Equipment Breakdown Schedule, we will not be liable for the indicated percentage of the gross amount of loss or damage insured under the applicable coverage.

G. EQUIPMENT BREAKDOWN ADDITIONAL CONDITION

The following Additional Condition applies to the insurance provided under this endorsement:

Suspension

If any Covered Equipment is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this endorsement for loss or damage caused by or resulting from a Breakdown to that Covered Equipment. This can be done by delivering or mailing a notice of suspension to:

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

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. 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.

- H. The following definitions are added to the **DEFINITIONS** Section, but only with respect to the Causes Of Loss – Equipment Breakdown endorsement:

"Diagnostic Equipment" means any:

- a. Equipment; or
- b. Apparatus;
used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.

"Power Generating Equipment"

- a. Means the following types of equipment or apparatus:
 - (1) Pressure;
 - (2) Mechanical; or
 - (3) Electrical;

used in or associated with the generation of electric power; and

- b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW.

"Production Equipment"

- a. Means any:
 - (1) Production machinery; or
 - (2) Process machinery;
that processes, shapes, forms or grinds:
 - (1) Raw materials;
 - (2) Materials in process; or
 - (3) Finished products; and
- b. Includes Covered Equipment that is used solely with or forms an integral part of the:
 - (1) Production;
 - (2) Process; or
 - (3) Apparatus.

EQUIPMENT BREAKDOWN SCHEDULE

Premises Location No.	Building No.	Specific Equipment Limit of Insurance:
001	ALL	\$100,000
002	ALL	\$100,000
003	ALL	\$100,000
004	ALL	\$100,000
005	ALL	\$100,000
006	ALL	\$100,000
007	001	\$100,000

Limits of Insurance:

Spoilage:	\$25,000 unless a higher amount is shown:	\$
Expediting Expenses:	\$25,000 unless a higher amount is shown:	\$
Ammonia Contamination:	\$25,000 unless a higher amount is shown:	\$
Hazardous Substance:	\$25,000 unless a higher amount is shown:	\$

Deductible Exceptions: Travelers Property Coverage Part Deductibles apply to loss or damage under this endorsement, except as follows:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRIME ADDITIONAL COVERAGES

This endorsement modifies insurance provided under the following:

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A. The following Crime Additional Coverages are added to Section **A.5., Additional Coverages**, if a Limit of Insurance is shown for the applicable Additional Coverage in the Crime Additional Coverage Schedule. Under Section **A.2., Property Not Covered, Paragraph a.** does not apply to these Crime Additional Coverages:

Employee Theft

- (1) We will pay for loss of or damage to "money", "securities" and other personal property not otherwise excluded, that you own, lease or hold for others, resulting directly from theft committed by an "employee", to your deprivation, whether the "employee" is identified or not and whether the "employee" is acting alone or in collusion with other persons.
- (2) Under this coverage, all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts, will be considered one occurrence.
- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss.
- (4) The most we will pay for loss in any one occurrence under this coverage is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Employee Theft.

Forgery or Alteration

- (1) We will pay for loss resulting directly from "forgery" or alteration of, on or in any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
 - (a) Made or drawn by or drawn upon you;
 - (b) Made or drawn by one acting as your agent;
 or that are purported to have been so made or drawn.
- (2) Under coverage, occurrence means all loss caused by any person or in which that person is involved, whether the loss involves

one or more instruments, will be considered one occurrence.

- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss.
- (4) The most we will pay for loss in any one occurrence under this coverage is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Forgery or Alteration.
- (5) If you are sued for refusing to pay any instrument covered in Paragraph (1) of this coverage, 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 and pay in that defense. The amount we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this coverage. The Deductible applicable to this Additional Coverage does not apply to these legal expenses.

Theft, Disappearance and Destruction of Money and Securities

- (1) We will pay for loss resulting directly from theft, disappearance or destruction of "money" and "securities" that you own or hold for others:
 - (a) At the described premises or the premises of a bank or savings institution; or
 - (b) At any other location, or in transit, in your care and custody, in the care and custody of your partners or "employees", or in the care and custody of an armored motor vehicle company.
- (2) Under this coverage, all loss caused by an act or series of related acts involving one or more persons, or by an act or event or series of related acts or events not involving any person, will be considered a single occurrence.
- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within

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120 days after you discover a loss or situation that may result in loss to which this Additional Coverage applies.

- (4) The most we will pay in any one occurrence under this coverage for loss of "money" and "securities":
- (a) At the described premises or the premises of a bank or savings institution is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Theft, Disappearance and Destruction of Money and Securities – Inside Premises;
 - (b) At any other location, or in transit, is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Theft, Disappearance and Destruction of Money and Securities – Outside Premises.
- (5) The insurance provided under this Additional Coverage for "money" and "securities" in the care and custody of an armored motor vehicle company applies only to the amount of loss that you cannot recover:
- (a) Under your contract with the armored motor vehicle company; and
 - (b) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

Money Orders and Counterfeit Paper Currency

- (1) We will pay for loss resulting directly from your acceptance in good faith of the following in exchange for merchandise, "money" or services:
- (a) Money orders, including counterfeit money orders, of any post office, express company or bank that are not paid upon presentation; and
 - (b) Counterfeit paper currency that is acquired during the regular course of business.
- (2) Under this coverage, all loss caused by an act or series of related acts involving one or more persons, or by an act or event or series of related acts or events not involving any person, will be considered a single occurrence.
- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss.

- (4) The most we will pay for loss in any one occurrence under this coverage is the applicable Limit of Insurance shown in the Crime Additional Coverage Schedule for Money Orders and Counterfeit Paper Currency.

B. The following exclusions apply to the Crime Additional Coverages provided in Section **A.** of this endorsement. Except as provided in exclusion **1.a.** below, none of the Paragraph **B.**, **Exclusions** or Paragraph **A.4.**, **Limitations** of the Travelers Property Coverage Form apply to the Crime Additional Coverages.

1. We will not pay under any of the Crime Additional Coverages for:
- a. Loss caused by or resulting from any of the following to the extent these causes of loss are otherwise excluded under the exclusions in Paragraph **B.** of the Travelers Property Coverage Form:
 - (1) Certain Computer-related Losses;
 - (2) Governmental Action;
 - (3) Nuclear Hazard; and
 - (4) War and Military Action.
 - b. Loss caused by or resulting from any dishonest or criminal act by you or any of your partners, whether acting alone or in collusion with others.
 - c. Loss caused by or resulting from any dishonest or criminal act by any of your "employees", directors, trustees or authorized representatives:
 - (1) Whether acting alone or in collusion with others; or
 - (2) While performing services for you or otherwise;except as provided under the Employee Theft Crime Additional Coverage.
 - d. Indirect loss including any loss resulting from:
 - (1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, the property;
 - (2) Payment of damages of any type for which you are legally liable. But we will pay for compensatory damages arising directly from a loss covered under the Crime Additional Coverages; or

- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or amount of loss under the Crime Additional Coverages.
- e. Legal expenses, except as provided under the Forgery or Alteration Crime Additional Coverage.
2. We will not pay under the Employee Theft Crime Additional Coverage for:
- a. Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
- b. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation. However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
- c. Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
- d. Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.
3. We will not pay under the Theft, Disappearance and Destruction of Money and Securities Crime Additional Coverage for:
- a. Loss caused by or resulting from accounting or mathematical errors or omissions.
- b. Loss caused by or resulting from the giving or surrendering of the property in any exchange or purchase.
- c. Loss of or damage to property after the property has been transferred or surrendered to a person or place outside the described premises or the premises of a banking or savings institution:
- (1) On the basis of unauthorized instructions; or
- (2) As a result of a threat to do bodily harm to any person or damage to any property.
- But this exclusion does not apply to loss of "money" or "securities" outside of the described premises or the premises of a banking or savings institution in your care and custody or the care and custody of your partners or "employees" if:
- (3) You had no knowledge of any threat at the time the conveyance began; or
- (4) You had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- d. Loss caused by you or anyone acting on your express or implied authority voluntarily parting with possession of or title to the property.
- e. Loss of "money" 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. Section **D. DEDUCTIBLES** is amended by the addition of the following, but only with respect to the Crime Additional Coverages endorsement:
- We will not pay for loss in any one occurrence under the Crime Additional Coverages until the amount of loss exceeds the applicable Deductible shown in the Crime Additional Coverage Schedule. We will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Insurance.
- D. In addition to the conditions that apply to the Travelers Property Coverage Form:
1. The following conditions apply to the Crime Additional Coverages provided in Section **A.** of this endorsement:
- a. **Cancellation as to any Employee**
- The insurance provided under the Crime Additional Coverages is cancelled as to any "employee":
- (1) Immediately upon discovery by:
- (a) You; or
- (b) Any of your partners, members, managers, officers, directors or trustees not in collusion with the "employee";

of theft or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed or delivered to the first Named Insured. That date will be at least 30 days after the date of mailing or delivery. We will mail or deliver our notice to the first Named Insured at the last mailing known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Amended Duties in the Event of Loss or Damage Condition

Under the Duties in the Event of Loss or Damage Condition in Section **E.3.** of the Travelers Property Coverage Form, the duty to notify the police if a law has been broken does not apply to the Employee Theft or the Forgery or Alteration Crime Additional Coverages.

c. Extended Period to Discover Loss

We will pay for loss that you sustain prior to the date this insurance terminates or is cancelled which is discovered by you no later than one year from the date of that termination or cancellation. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

d. Amended Legal Action Against Us Condition

The Legal Action Against Us Additional Condition in Section **F.4.** of the Travelers Property Coverage Form is amended as follows:

The time period during which a legal action involving loss under the Crime Additional Coverages may be brought against us will not begin until the date on which the loss is discovered. In addition, no one may bring a legal action against us involving loss under the Crime Additional Coverages until 90 days after you have filed proof of loss with us.

e. Loss Sustained During Prior Insurance

- (1) If you, or any predecessor in interest, sustained loss during the period of any prior crime coverage insurance that you or the predecessor in interest could have recovered under that insurance, except that the time within which to discover loss had expired, we will pay for it under the applicable Crime Additional Coverage provided in Section **A.** of this endorsement, provided:

- (a) The Crime Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss would have been covered under the Crime Additional Coverage had it been in effect when the acts or events causing the loss were committed or occurred.

- (2) The insurance under this condition is included in and does not increase the Limits of Insurance applying to the Crime Additional Coverages and is limited to the lesser of the amount recoverable under:

- (a) The applicable Crime Additional Coverage as of its effective date; or
- (b) The prior crime coverage insurance had it remained in effect.

f. Amended Policy Period, Coverage Territory Condition

The following is added to the Policy Period, Coverage Territory Additional Condition in Section **F.8.** of the Travelers Property Coverage Form:

Subject to the above Loss Sustained During Prior Insurance Condition, we will pay for loss under the Crime Additional Coverages that you sustain through acts committed or events occurring:

- (1) During the policy period and discovered by you:
- (a) During the policy period; or
- (b) During the period of time provided in the Extended Period

To Discover Loss Condition above;

and

(2) Within the Coverage Territory. However:

(a) Under the Employee Theft Crime Additional Coverage, we will pay for loss caused by any "employee" while temporarily outside of the Coverage Territory for a period of not more than 90 days.

(b) Under the Forgery or Alteration Crime Additional Coverage, the Coverage Territory is extended to include anywhere in the world.

g. Loss Covered Under a Crime Additional Coverage and Prior Crime Insurance Issued by the Company or any Affiliate

If any loss is covered:

(1) Partly by a Crime Additional Coverage provided in Section A. of this endorsement; and

(2) Partly by any prior cancelled or terminated crime insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under the Crime Additional Coverage or the prior insurance.

h. Non-Cumulation of Limit of Insurance

Regardless of the number of years the Crime Additional Coverages remain in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

i. Amended Other Insurance Condition

With respect only to the Crime Additional Coverages, the Other Insurance Additional Condition in Section F.7. of the Travelers Property Coverage Form is replaced by the following:

The Crime Additional Coverages do not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance provided under the applicable

Crime Additional Coverage will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the Limit of Insurance that applies to that Crime Additional Coverage.

j. Amended Transfer of Rights of Recovery Against Others To Us Condition

The Transfer of Rights of Recovery Against Others to Us Additional Condition in Section F.9. of the Travelers Property Coverage Form applies to the Crime Additional Coverages except you may not, at any time, waive your rights to recover damages from another party for any loss you sustained and for which we have paid or settled under the Crime Additional Coverages.

k. Amended Valuation Condition

The following is added to the Loss Payment – Building and Personal Property Condition in Section E.4. of the Travelers Property Coverage Form

In the event of loss, we will determine the value of:

(1) "Money" at its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

(a) At face value in the "money" issued by that country; or

(b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) "Securities" at their value at the close of business on the day the loss was discovered. We may, at our option:

(a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all of your rights, title and interest in and to those "securities"; or

(b) Pay the cost of any Lost Securities Bond required in connection with issuing

duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- (i) Value of the "securities" at the close of business on the day the loss was discovered; or
- (ii) Limit of Insurance.

I. Sole Benefit

The insurance provided under the Crime Additional Coverages is for your sole benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

- 2. The following additional conditions apply to the Forgery or Alteration Crime Additional Coverage:

a. Electronic and Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

b. Proof of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

- 3. The following additional conditions apply to Employee Theft Additional Coverage if such options are indicated by an "X" in the Crime Additional Coverage Schedule:

a. Non-compensated Officers

The definition of "employee" under Paragraph E. of this endorsement includes your non-compensated officers.

b. Property Manager

The definition of "employee" under paragraph E. of this endorsement includes:

- (1) Each natural person, partnership or corporation you appoint in writing to act as your agent in the capacity of Property Manager for Covered Property, but only while acting on your behalf or while in possession of

Covered Property. These natural persons, partnerships or corporations are not covered for faithful performance of duty, even in the event that this insurance may have been amended by endorsement to provide such coverage on other "employees" as defined in Paragraph E. of this endorsement. The only Covered Cause of Loss for any agent is Employee Theft.

- (2) Each such agent and the partners, officers and employees of that agent are considered to be, collectively, one "employee" for the purposes of this insurance. However, the Cancellation As To Any Employee Condition under Paragraph D.1.a of this endorsement applies individually to each of them.

- (3) The most we will pay under this insurance for loss in any one occurrence caused by an agent included as an "employee" is the Limit of Insurance applicable to Employee Theft.

- (4) Payments under this insurance are included in and do not increase the applicable Limits of Insurance for Employee Theft

c. Volunteer Workers

The definition of "employee" under Paragraph E. of this endorsement is changed to include any non-compensated natural person:

- (1) Other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee"; or
- (2) While acting as a fund solicitor during fund raising campaigns.

- E. The following definitions are added to the **DEFINITIONS** Section, but only with respect to the Crime Additional Coverages provided under this endorsement:

"Employee"

- a. "Employee" means:

- (1) Any natural person:
 - (a) While in your service and for 30 days after termination of service; and

- (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
- (2) Any natural person who is furnished temporarily to you:
- (a) To substitute for a permanent "employee" as defined in paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;
- while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the described premises.
- (3) Any natural person who is leased to you under a written agreement, between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph (2) above;
- (4) Any natural person who is:
- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan insured under this insurance; or
 - (b) Your director or trustee while that person is handling funds or other property of any "employee benefit plan" insured under this insurance.

- (5) Any natural person who is a former "employee", director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
 - (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the premises.
- b. But "employee" does not mean any:
- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Manager, director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

"Forgery" means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

"Money" means:

- a. Currency, coins and bank notes in current use; and
- b. Traveler's checks, register checks and money orders held for sale to the public.

"Securities" means negotiable and non-negotiable instruments or contracts representing either "Money" or other property and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards which are not of your own issue. But Securities does not include "Money" or lottery tickets held for sale.

CRIME ADDITIONAL COVERAGES SCHEDULE

Crime Additional Coverage Limit of Insurance

Employee Theft: \$200,000

- Non-compensated Officers **X**
Included
- Property Managers Included **X**
- Volunteer Workers Included **X**

Forgery or Alteration: \$25,000

Theft, Disappearance and Destruction of Money and Securities:

- Inside Premises: \$25,000
- Outside Premises: \$25,000

Money Orders and Counterfeit Paper Currency: \$25,000

Deductible: \$1,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDING OWNERS ENDORSEMENT

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE FORM
TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUILDING OWNERS LIMIT OF INSURANCE

- \$ 100,000 in any one occurrence at each described premises
\$ 250,000 in any one occurrence regardless of the number of described premises involved

- A.** The TRAVELERS PROPERTY COVERAGE FORM is changed as follows:
- 1.** The limit applicable to Paragraph **(4)** of **A.5.d., Debris Removal Additional Coverage**, is increased by \$25,000.
 - 2.** The following replaces Paragraph **(6)** of **A.5.n., Ordinance or Law Additional Coverage**:
 - (6)** The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph **(1)** above in any one occurrence is the Building Owners Limit of Insurance shown above at each described premises. But we will not pay more than the Building Owners Limit of Insurance shown above in any one occurrence, regardless of the number of described premises involved.
 - 3.** The following is added to Paragraph **A.5., Additional Coverages**:

Lessor's Leasehold Interest

 - (1)** We will pay for the cost of Covered Leasehold Interest you sustain due to the cancellation of lease contracts by your tenants. The cancellation must result from direct physical loss of or damage to your Covered Property at the premises described in the Building Owners Premises Schedule caused by or resulting from a Covered Cause of Loss during the term of the policy.
 - (2)** Covered Leasehold Interest:
 - (a)** Means the difference between the:
 - (i)** Rent you were collecting at the described premises prior to the loss; and
 - (ii)** "Rental value" of the described premises after loss or damage has been repaired or rebuilt; and
 - (b)** Does not mean refunds or rebates of:
 - (i)** Prepaid rent;
 - (ii)** Security or other deposits made by your tenants; or
 - (iii)** Insurance, taxes or other payments made on your behalf by tenants.
- (3)** The most we will pay under this Additional Coverage is the lesser of:
- (a)** Your Covered Leasehold Interest for the 12 months immediately following the "Period of Restoration" and ending with the normal expiration date of each cancelled lease; or
 - (b)** \$25,000 for all Covered Leasehold Interest of all your tenants canceling their leases arising out of an occurrence at a described premises.
- Tenant Move Back Expenses**
- (1)** We will reimburse you for expenses you pay for Covered Move Back Costs of your tenants who temporarily vacate a portion of the building at the premises described in the Building Owners Premises Schedule. The vacancy must have occurred while the portion of the building rented by your tenant could not be occupied due to direct physical loss

of or damage to your Covered Property caused by or resulting from a Covered Cause of Loss during the term of the policy. The move back must take place within 60 days after the portion of the building rented by your tenant has been repaired or rebuilt and is ready for occupancy.

- (2) Covered Move Back Costs means only documented, reasonable and necessary costs of:
 - (a) Packing, insuring and transporting business personal property;
 - (b) Re-establishing electric utility and communication services, less refunds from discontinued services;
 - (c) Assembling and setting up fixtures and equipment; or
 - (d) Unpacking and reshelving stock and supplies.
- (3) If your tenants have valid and collectible insurance for Covered Move Back Costs, we will pay only for the amount of Covered Move Back Costs in excess of the amount payable from such other insurance.
- (4) The most we will pay under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of an occurrence at a described premises in the Building Owners Premises Schedule.

Utility Services – Direct Damage

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of utility service to the described premises. The interruption of utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property:
 - (a) "Water Supply Property";
 - (b) "Communication Supply Property"; or
 - (c) "Power Supply Property";if such property is:
 - (i) Located away from the described premises; or
 - (ii) Located at the described premises and used to supply the utility service to the described premises from a

source away from the described premises.

- (2) The most we will pay in any one occurrence under this Additional Coverage is \$10,000 at each described premises in the Building Owners Premises Schedule. This limit is included in and does not increase the applicable Limit of Insurance.
4. The following is added to Paragraph G., **DEFINITIONS**, but only with respect to the Building Owners endorsement:

"Water Supply Property" means the following types of property supplying water to the described premises:

- (a) Pumping stations; and
- (b) Water mains.

"Communication Supply Property" means property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- (a) Communication transmission lines, including optic fiber transmission lines;
- (b) Coaxial cables; and
- (c) Microwave radio relays except satellites.

It does not include overhead transmission lines.

As used in this definition, the term transmission lines includes all lines that serve to transmit communication service or power, including lines that may be identified as distribution lines.

"Period of Restoration":

- (a) Means the period of time that:
 - (i) Begins with the date of direct physical loss or damage caused by or resulting from a Covered Cause of Loss at the described premises; and
 - (ii) Ends on the date when the property at the premises described in the Building Owners Premises Schedule should be repaired, rebuilt or replaced with reasonable speed and ready for occupancy.
- (b) Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (i) Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus", wet rot or dry rot, except as provided in any Fungus, Wet Rot or Dry Rot – Amended Period of Restoration Additional Coverage; or
- (iii) 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".

"Power Supply Property" means the following types of property supplying electricity, steam or gas to the described premises:

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

It does not include overhead transmission lines.

As used in this definition, the term transmission lines includes all lines that serve to transmit communication service or power, including lines that may be identified as distribution lines.

"Rental Value" means Business Income that consists of:

- a. Total anticipated rental income from tenant occupancy of the premises described in the Building Owners Premises Schedule as furnished and equipped by you; and
- b. Amounts of all charges that are the legal obligations of the tenants that would otherwise be your obligations.

- B.** When the TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM is attached to this policy, the coverage is changed as follows:

- 1.** The following is added to Paragraph **A.5., Coverage Extensions:**

Ordinance or Law – Increased Period of Restoration

(1) If:

- (a) A Covered Cause of Loss occurs to property at the described premises; and
- (b) The Declarations shows that you have coverage for Business Income and Extra Expense;

you may extend that insurance to apply to the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of or compliance with any ordinance or law that:

- (i) Regulates the construction, repair or replacement of any property;
- (ii) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and

(iii) Is in force at the time of loss.

- (2)** This Coverage Extension applies only to the increased period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.

- (3)** This Coverage Extension does not apply to any loss caused by or resulting from:

- (a) The enforcement of or compliance with any ordinance or law that:
 - (i) You were required to comply with before the loss, even if the property was undamaged; and
 - (ii) You failed to comply with; or
- (b) The enforcement of or compliance with any ordinance or law that requires:
 - (i) The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation,

TRAVELERS PROPERTY

spread or any activity of "fungus", wet rot or dry rot; or

- (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet rot or dry rot.
- (4) The most we will pay for loss under this Coverage Extension in any one

occurrence is \$50,000 at each described premises in the Building Owners Premises Schedule.

- (5) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- (6) Exclusion **B.1.a.**, Ordinance or Law, does not apply to this Coverage Extension.

BUILDING OWNERS PREMISES SCHEDULE

Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.
001	ALL	002	ALL	003	ALL	004	ALL	005	ALL
006	ALL	007	001						

GENERAL LIABILITY



GENERAL LIABILITY



**COMMERCIAL GENERAL LIABILITY
COVERAGE PART DECLARATIONS**

POLICY NO.: BIP-9P501459-22-42
ISSUE DATE: 05/04/2022

INSURING COMPANY:
FIDELITY AND GUARANTY INSURANCE COMPANY

DECLARATIONS PERIOD: From 06/19/2022 to 06/19/2023 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial General Liability Coverage Part consists of these Declarations and the Coverage Form shown below.

1. COVERAGE AND LIMITS OF INSURANCE:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM	LIMITS OF INSURANCE
General Aggregate Limit (Other than Products-Completed Operations)	\$ 4,000,000
Products-Completed Operations Aggregate Limit	\$ 4,000,000
Personal & Advertising Injury Limit	\$ 2,000,000
Each Occurrence Limit	\$ 2,000,000
Damage To Premises Rented To You Limit (any one premises)	\$ 300,000
Medical Expense Limit (any one person)	\$ 5,000

2. AUDIT PERIOD: ANNUALLY

3. FORM OF BUSINESS: ASSOCIATION

4. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

**COMMERCIAL GENERAL LIABILITY COVERAGE
IS SUBJECT TO A GENERAL AGGREGATE LIMIT**

DECLARATIONS PREMIUM SCHEDULE
Issue Date: 05/04/2022

Policy Number: BIP-9P501459-22-42

This Schedule applies to the Declarations for the period of 06/19/2022 to 06/19/2023.

It shows all of your known rating classes as of the effective date. Any exceptions will be so noted. This includes all locations you own, rent or occupy.

STATE ZIP	CLASS DESCRIPTION/CODE NUMBER	PREMIUM BASE/ EXPOSURE	RATES	ADVANCE PREMIUM
NC 27511	Residential Condos Premises/Operations	\$370,800	1.0545	391
	Product/Completed Operations	\$370,800	0.0054	2
NC 27511	Residential Condos Premises/Operations	\$51,500	1.0874	56
	Product/Completed Operations	\$51,500	0.0194	1
NC 27511	Residential Condos Premises/Operations	\$30,900	1.1327	35
	Product/Completed Operations	\$30,900	0.0324	1
NC 27511	Residential Condos Premises/Operations	\$51,500	1.3204	68
	Product/Completed Operations	\$51,500	0.0194	1
NC 27511	Residential Condos Premises/Operations	\$51,500	0.9515	49
	Product/Completed Operations	\$51,500	0.0194	1
NC 27511	Residential Condos Premises/Operations	\$51,500	1.3981	72
	Product/Completed Operations	\$51,500	0.0194	1
NC 27511	Residential Condos Premises/Operations	\$1	6000.000	6
	Product/Completed Operations	\$1	1000.000	1

Rate Computation: The rate shown may change any time there is a change in exposure or risk characteristic during the policy period or at audit.

Premium Base Legend:

Premium Base
a = area
c = cost
e = employees
m = admissions
p = payroll
r = receipts

How Rates Apply
per 1000 sq. feet
per \$1000 of total cost
per employee
per 1000 of admissions
per \$1000 of payroll
per \$1000 of receipts

Premium Base
s = gross sales
u = units
t =

How Rates Apply
per \$1000 of gross sales
per unit
This premium base is reserved for unusual applications. Base and how rates apply are shown above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT COMMUNITY ASSOCIATIONS

THIS ENDORSEMENT PROVIDES CLAIMS MADE COVERAGE. DEFENSE COSTS ARE INCLUDED WITHIN THE LIMITS OF INSURANCE. PLEASE READ THE ENTIRE FORM CAREFULLY.

DECLARATIONS:

1. Named Insured: **TROON AT KILDAIRE CONDOMINIUM**

2. Address: **PO BOX 1149**
APEX **NC 27502**

3. Coverage Period: **06/19/2022 to 06/19/2023**
4. Limit of Insurance: \$ **1,000,000** Each Claim
\$ **1,000,000** Aggregate
5. Premium: \$ **INCLUDED**
6. Special Provisions, if any:

Throughout this endorsement the words "you" and "your" refer to the Named Insured shown in Item 1 of the Declarations above, and any other person or organization qualifying as a Named Insured under this endorsement. The words "we", "us" and "our" refer to the Company providing this insurance. The word "insured" means any person or organization qualifying as such under SECTION II – WHO IS AN INSURED.

PROVISIONS

I. Insuring Agreement – Directors and Officers Condominium and Community Associations Liability

- A. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of any "wrongful act" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "wrongful act" and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay is limited as described in LIMITS OF INSURANCE (Section III); and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance by any payment, including but not limited to any payment toward judgment, settlement or "defense expense".
- B. This insurance applies to "wrongful acts" committed at any time prior to the end of the coverage period, but only if:
 - (1) The "wrongful act" took place in the "coverage territory"; and
 - (2) A claim for compensatory damages because of the "wrongful act" is first made against any insured, in accordance with paragraph C. below, during the coverage

period or any Extended Reporting Period we provide under CONDITIONS – Extended Reporting Period (Section IV).

- C. A claim by a person or organization seeking compensatory damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such claim is received by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with paragraph A. above.

All claims arising out of the same or related "wrongful acts" will be deemed to have been made at the time the first of these claims is made against any insured.

D. Exclusions

The insurance provided by this endorsement does not apply to:

- (1) "Bodily injury", "property damage", "personal injury", or "advertising injury".
- (2) Punitive or exemplary damages.
- (3) Damages resulting from:
 - a. "Wrongful acts" which result in any insured gaining personal profit, remuneration or advantage to which such insured is not legally entitled.
 - b. Any dishonest, fraudulent, criminal or malicious act, error or omission committed by or with the knowledge or consent of any insured.
 - c. The failure of any person to effect or maintain acceptable amounts, forms, conditions or provisions of any insurance or bonds.
 - d. Any violation of the Employee Retirement Income Security Act of 1974, the Pension Reform Act of 1974, or similar provisions of any Federal, state or local statutory or common law.
 - e. Operations (including but not limited to construction, design, survey and engineering services) performed by or on behalf of the builder, sponsor or developer of the property designated in the Declarations.
 - f. The failure of any insured to enforce the rights of the Named Insured

against the builder, sponsor or developer of the property designated in the Declarations.

- g. Discrimination.
 - h. The "wrongful act" of any developer/sponsor who is an officer or member of the condominium, or other community association, board of directors.
 - i. Any claim or "suit" made by any insured against another insured.
 - j. Employment-related practices, policies, acts or omissions.
- (4) Damages resulting from:
- a. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" or asbestos.
 - b. Any 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 asbestos.
 - c. Any claim or "suit" by or on behalf of a governmental authority 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" or asbestos.
- "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) Damages resulting from:
- a. Any claim made or "suit" brought prior to or pending as of the inception date of the coverage period, as shown in the Declarations. However, if this insurance is a renewal of the same or similar coverage provided by us, this exclusion applies to claims made or "suits" brought prior to or pending as of the date such coverage was first provided by us.
 - b. Any subsequent claims made or "suits" brought which arise from or

are based upon substantially the same matters as alleged in the pleadings of such prior or pending claims or "suits".

- c. Any act of any insured which gave rise to such prior or pending claim or "suit".
- d. Any claim or "suit" which may be reasonably anticipated as of the inception date of the coverage period, as shown in the Declarations.

II. WHO IS AN INSURED

- A. If you are named in Item 1 of the Declarations above, you are an insured.
- B. Your directors, trustees or officers are also insureds, but only while acting within the scope of their duties for you. This includes:
 - 1. Those who currently are directors, trustees or officers;
 - 2. Those who were directors, trustees or officers when the "wrongful act" took place;
 - 3. Those who become directors, trustees or officers after the effective date of this insurance, but only for subsequent "wrongful acts".
- C. Your employees and members are insureds, but only while acting at your direction and within the scope of their duties for you.
- D. Any other person acting on your behalf or at the direction of your directors, trustees or officers are insureds.

III. LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - 1. Insureds;
 - 2. Claims made or "suits" brought;
 - 3. Persons or organizations making claims or bringing "suits".
- B. The Limit of Insurance shown in the Declarations above as "Aggregate" is the most we will pay for all damages and "defense expense" for all claims made during the Coverage Period shown in the Declarations.
- C. Subject to B. above, the Limit of Insurance shown as "Each Claim" is the most we will pay for damages and "defense expense" arising out of any one claim. For the purposes of

determining the Limit of Insurance, all claims arising out of the same or related "wrongful acts" will be considered as one claim.

IV. CONDITIONS

A. Extended Reporting Period.

- 1. If this insurance is cancelled or nonrenewed for any reason other than nonpayment of premium, we will provide an Extended Reporting Period of one year. This Extended Reporting Period does not extend the coverage period or change the scope of coverage provided. It applies only to claims for "wrongful acts" committed before the end of the coverage period.
- 2. The Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.
- 3. The Extended Reporting Period does not reinstate or increase the Limits of Insurance.

B. Bankruptcy.

Bankruptcy or insolvency on the part of the insured will not relieve us of our obligations under this insurance.

C. Insured's Duties In The Event Of A Wrongful Act, Claim Or Suit .

- 1. In the event of a "wrongful act", you must see to it that we are notified as soon as is practicable. To the extent possible, notice should include:
 - a. How, when and where the "wrongful act" took place;
 - b. The nature of the "wrongful act"; and
 - c. The names and addresses of injured parties and witnesses.

Notice of such a "wrongful act" does not constitute notice of a claim.
- 2. If a claim is received by any insured, you must immediately record the specifics of the claim and the date received, and notify us immediately. Written notice should be provided as soon as is practicable.
- 3. You and any other involved insured must:

- a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - b. Authorize us to obtain records and other information;
 - c. Cooperate with us in the investigation of any "wrongful act", or the investigation, settlement or defense of the claim or "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to any insured because of damages to which this insurance applies.
4. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

D. Legal Action Against Us.

No person or organization has a right under this insurance:

1. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
2. To sue us on this insurance 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 insurance 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.

E. Other Insurance.

This insurance is excess over any other valid and collectible insurance available to any insured, whether primary, excess, contingent, or on any other basis, unless such other insurance was purchased specifically to be excess over the limits of insurance this insurance provides.

F. Changes.

This endorsement contains all of the agreements between you and us concerning the insurance afforded under this endorsement. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this insurance with our consent. This endorsement's terms can be amended or waived only by endorsement issued specifically to amend this insurance.

G. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this insurance, 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.

H. Conformity To Statute.

The terms of this insurance which are in conflict with the statutes of the state wherein this insurance is delivered are hereby amended to conform to such statutes.

I. Representations.

By accepting this insurance you agree:

1. The statements in the application are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this insurance in reliance upon your representations.

V. DEFINITIONS

A. "Advertising injury" means injury arising out of one or more of the following offenses:

1. 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;
2. Oral or written publication of material that violates a person's right of privacy;
3. Misappropriation of advertising ideas or style of doing business; or
4. Infringement of copyright, title or slogan.

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

- C. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
- D. "Defense expense" means fees charged by (an) attorney(s) designated or approved in writing by us and all other fees, costs, and expenses resulting from the investigation, adjustment, defense and appeal of a claim, "suit" or proceeding arising in connection therewith, if incurred by us or by an insured with our written consent.
- E. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:
 - 1. False arrest, detention or imprisonment;
 - 2. Malicious prosecution;
 - 3. 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 by or on behalf of its owner, landlord or lessor;
 - 4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's good, products or services; or
- 5. Oral or written publication of material that violates a person's right of privacy.
- F. "Property damage" means:
 - 1. Physical injury to tangible property, including all resulting loss of use of that property;
 - 2. Loss of use of tangible property that is not physically injured; or
 - 3. Diminution of property value.
- G. "Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes:
 - 1. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
 - 2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.
- H. "Wrongful act" means any actual or alleged error, mistake, misstatement or misleading statement, act, omission or neglect or breach of duty by any insured.

POLICYHOLDER NOTICES



POLICYHOLDER NOTICES

IMPORTANT NOTICE – LEAD EXCLUSION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

Your policy contains a Lead exclusion.

IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER COMPENSATION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

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