



COMMERCIAL INSURANCE
POLICY

TRAVELERS BOP

PREPARED FOR:

MLV TOWNHOMES OWNERS
ASSOCIATION, INC.
597 NAVAJO TRAIL DR
PAGOSA SPRINGS, CO 81147-8867

PRESENTED BY:

ASSOCIATED INSURANCE
1429 CARLISLE BLVD NE
ALBUQUERQUE, NM 87110

Claims Reporting: 1-800-238-6225

Policy Period: 03/23/2023 through 03/23/2024

Policy Number: BIP-1T975926-23-42

Insuring Company: FIDELITY AND GUARANTY INSURANCE COMPANY

TRAVELERS 

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Dear Valued Policyholder:

We are excited to inform you about changes to your policy on renewal. We are implementing a new proprietary Condominium and Community Associations Directors and Officers Liability Coverage Form that will modernize and further simplify our approach to that coverage.

This transition will improve consistency in our approach to Directors and Officers Liability Coverage.

In order to make this transition to our new proprietary Condominium and Community Associations Directors and Officers Liability Coverage Form as easy as possible for you, we will adjust any claims for Directors and Officers Liability Coverage under your new policy based upon the terms and conditions of either your expiring policy or your new policy, **whichever are broader**. However, this approach to adjustment of claims for Directors and Officers Liability Coverage is **subject to the following exceptions**:

- Any difference in the identity of named insureds.
- Any reduction in the amount of the limits of insurance shown in the Condominium and Community Associations Directors and Officers Liability Coverage Declarations for your new policy from the amount shown for substantially similar coverage in any Declarations or endorsement for your expiring policy.

We will apply this approach to claims adjusted under your first new Travelers policy. Any claim adjusted under a subsequent Travelers policy will be adjusted based only upon the terms and conditions of that policy.

Please review your expiring and new Travelers policies carefully, retain your expiring policy, and contact your agent or broker if you have any questions about this letter. We appreciate your business and thank you for choosing to insure with us.

RENEWAL CERTIFICATE**COMMON POLICY DECLARATIONS****POLICY NO.:** BIP-1T975926-23-42**ISSUE DATE:** 01/27/2023**BUSINESS:** Residential Con**INSURING COMPANY:** FIDELITY AND GUARANTY INSURANCE COMPANY**1. NAMED INSURED AND MAILING ADDRESS:**MLV TOWNHOMES OWNERS
ASSOCIATION, INC.
597 NAVAJO TRAIL DR
PAGOSA SPRINGS CO 81147-8867**2. POLICY PERIOD:** From 03/23/2023 to 03/23/2024 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	\$	4,974.00
Due at Inception	\$	
Due at Each	\$	

NAME AND ADDRESS OF AGENT OR BROKER
ASSOCIATED INSURANCE XL985
1429 CARLISLE BLVD NE
ALBUQUERQUE

NM 87110

COUNTERSIGNED BY:

Authorized Representative

01/27/2023

DATE: _____



**TRAVELERS PROPERTY
COVERAGE PART DECLARATIONS**

POLICY NO.: BIP-1T975926-23-42
ISSUE DATE: 01/27/2023

INSURING COMPANY: FIDELITY AND GUARANTY INSURANCE COMPANY

FORM OF BUSINESS: CORPORATION

DECLARATIONS PERIOD: From 03-23-23 to 03-23-24 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
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.

\$ 2,500 per occurrence



TRAVELERS PROPERTY
COVERAGE PART DECLARATIONS

POLICY NO.: BIP-1T975926-23-42
ISSUE DATE: 01/27/2023

BUILDING GLASS DEDUCTIBLE
\$ 2,500 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

Actual Loss Sustained 12 consecutive months

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. : 001

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	\$ 713,123	RC*	N/A	0.0%

PREMISES LOCATION NO.: 001

BUILDING NO. : 002

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	\$ 713,123	RC*	N/A	0.0%



One Tower Square, Hartford, Connecticut 06183

TRAVELERS PROPERTY
COVERAGE PART DECLARATIONS

POLICY NO.: BIP-1T975926-23-42
ISSUE DATE: 01/27/2023

PREMISES LOCATION NO.: 001 BUILDING NO. : 003

COVERAGE		LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING	\$	860,919	RC*	N/A	0.0%
*Replacement Cost					

PREMISES LOCATION NO.: 001 BUILDING NO. : 004

COVERAGE		LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING	\$	972,772	RC*	N/A	0.0%
*Replacement Cost					

POLICY NUMBER: BIP-1T975926-23-42

EFFECTIVE DATE: 03/23/2023

ISSUE DATE: 01/27/2023

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

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

* PN U4 34 07 22 LIBERALIZATION LETTER - DIRECTORS AND OFFICERS
LIABILITY CHANGES
* 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 T0 20 07 18 MORTGAGEES
TP T1 30 07 18 TABLE OF CONTENTS - TRAVELERS PROPERTY COVERAGE PART
TP T1 03 07 18 AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE
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 T3 06 07 18 SEWER OR DRAIN BACK UP AND OPTIONAL SUMP OVERFLOW

COMMERCIAL GENERAL LIABILITY

* CG T0 01 11 03 COMMERCIAL GENERAL LIABILITY COVERAGE PART
DECLARATIONS
* CG U0 15 07 21 CONDO COMM ASSOC D&O LIAB 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 U0 16 07 21 CONDO COMM ASSOC D&O LIAB COV TOC
CG T1 00 02 19 COMMERCIAL GENERAL LIABILITY COVERAGE FORM
* CG T1 38 07 21 CONDO COMM ASSOC D&O LIAB COV FORM
CG 20 04 11 85 ADDITIONAL INSURED - CONDOMINIUM UNIT OWNERS
CG D2 37 02 19 EXCLUSION - REAL ESTATE DEVELOPMENT ACTIVITIES -
COMPLETED OPERATIONS
* CG D9 10 09 21 AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION
CG D2 03 12 97 AMEND - NON CUMULATION OF EACH OCC
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-1T975926-23-42

EFFECTIVE DATE: 03/23/2023

ISSUE DATE: 01/27/2023

COMMERCIAL GENERAL LIABILITY (CONTINUED)

CG D0 76 06 93 EXCLUSION - LEAD
CG D1 42 02 19 EXCLUSION - DISCRIMINATION

MULTIPLE SUBLINE ENDORSEMENTS

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

INTERLINE ENDORSEMENTS

* IL T0 63 07 22 ACTUAL CASH VALUE
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 01 25 11 13 COLORADO CHANGES - CIVIL UNION
IL 01 69 09 07 COLORADO CHANGES - CONCEALMENT, MISREPRESENTATION OR
FRAUD
IL 02 28 09 07 COLORADO CHANGES - CANCELLATION AND NONRENEWAL

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 U4 10 07 21 IMPORTANT NOTICE - COLORADO DISCLOSURE FORM - CLAIMS
MADE LIABILITY COVERAGE FORM
PN MP 38 01 11 IMPORTANT NOTICE - JURISDICTIONAL INSPECTIONS

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



IMPORTANT INFORMATION FOR POLICYHOLDERS

Dear Policyholder:

Enclosed is your Travelers Renewal Certificate. An asterisk on the Listing of Forms, Endorsements and Schedule Numbers, IL T8 01, indicates forms that are included with this year's renewal. Any forms previously attached to your policy that are not shown on that listing no longer apply.

Please put the Certificate and the attached forms with your policy as soon as possible. If you have misplaced your policy, please contact your agent for a copy.

ADDITIONAL LOCATIONS
CONDOMINIUM PACPOLICY NO.: BIP-1T975926-23-42
ISSUE DATE: 01/27/2023**THIS SCHEDULE OF LOCATIONS AND BUILDINGS APPLIES
TO THE COMMON DECLARATIONS FOR THE PERIOD**

03/23/2023 to 03/23/2024

PREMISES LOCATION NUMBER	BUILDING NUMBER	OCCUPANCY	ADDRESS
001	001	Residential Condo	3500 W HIGHWAY 160 UNIT 1 PAGOSA SPRINGS CO 81147
001	002	Residential Condo	3500 W HIGHWAY 160 UNIT 3 PAGOSA SPRINGS CO 81147
001	003	Residential Condo	3500 W HIGHWAY 160 UNIT 5 PAGOSA SPRINGS CO 81147
001	004	Residential Condo	3500 W HIGHWAY 160 PAGOSA SPRINGS CO 81147

TRAVELERS PROPERTY



TRAVELERS PROPERTY

MORTGAGEES:**POLICY NO.:** BIP-1T975926-23-42
ISSUE DATE: 01/27/2023

PREM. NO.	BLDG. NO.	MORTGAGE HOLDER NAME AND MAILING ADDRESS
001	002	BANK OF COLORADO PAGOSA SPRINGS BRANCH 205 COUNTRY CENTER DR PAGOSA SPRINGS CO 81147-8957

001	001	BANK OF COLORADO PAGOSA SPRINGS BRANCH 205 COUNTRY CENTER DR PAGOSA SPRINGS CO 81147-8957
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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.

TRAVELERS PROPERTY

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	001	\$100,000
001	002	\$100,000
001	003	\$100,000
001	004	\$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:

TRAVELERS PROPERTY COVERAGE FORM

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

TRAVELERS PROPERTY

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:	\$25,000
Non-compensated Officers Included	
Property Managers Included	
Volunteer Workers Included	
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: \$2,500	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEWER OR DRAIN BACK UP AND OPTIONAL SUMP OVERFLOW

This endorsement modifies insurance provided under the following:

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

The following is added to Paragraph **A.6. Coverage Extensions** of the TRAVELERS PROPERTY COVERAGE FORM:

Sewer or Drain Back Up

- (1) When the Declarations show that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer or drain inside the building.
- (2) When the Declarations show that the Travelers Business Income (And Extra Expense) Coverage Form or Travelers Extra Expense Coverage Form is part of your policy, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer or drain inside the building.
- (3) With respect only to water or sewage that backs up or overflows from a sewer or drain inside the building, Exclusion **B.1.h.(3)** does not apply to this Coverage Extension.
- (4) The most we will pay under this Coverage Extension at each described premises in any one occurrence is the applicable Limit of Insurance shown in the Schedule Of Sewer or Drain Back Up and Optional Sump Overflow Coverage. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, except for any other Coverage Extension covering water or sewage back up or sump overflow or sump pump failure, do not increase this limit.

Sump Overflow

- (1) When the Declarations show that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from sump overflow inside the building.
- (2) When the Declarations show that the Travelers Business Income (And Extra Expense) Coverage Form or Travelers Extra Expense Coverage Form is part of your policy, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from sump overflow inside of the building.
- (3) With respect only to sump overflow inside of a building, Exclusion **B.1.h.(3)** does not apply to this Coverage Extension.
- (4) If *Included* is shown for Sump Overflow in the below Schedule Of Sewer or Drain Back Up and Optional Sump Overflow Coverage for the described premises, the most we will pay under this Coverage Extension in any one occurrence is \$100,000 at such described premises. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, except for any other Coverage Extension covering water or sewage back up or sump overflow or sump pump failure, do not increase this limit. Payments under this Coverage Extension are included in and do not increase the applicable Sewer or Drain Limit of Insurance shown in the Schedule Of Sewer or Drain Back Up and Optional Sump Overflow Coverage. If *Not Covered* is shown in such Schedule for the described premises, there is no coverage for Sump Overflow at that described premises.

SCHEDULE OF SEWER OR DRAIN BACK UP AND OPTIONAL SUMP OVERFLOW COVERAGE

Prem. Loc. No.	Bldg No.	Sewer or Drain Back Up Limit of Insurance	Sump Overflow
001	001	\$ 25,000	Included
001	002	\$ 25,000	Included
001	003	\$ 25,000	Included
001	004	\$ 25,000	Included

GENERAL LIABILITY



GENERAL LIABILITY



**COMMERCIAL GENERAL LIABILITY
COVERAGE PART DECLARATIONS**

POLICY NO.: BIP-1T975926-23-42
ISSUE DATE: 01/27/2023

INSURING COMPANY:
FIDELITY AND GUARANTY INSURANCE COMPANY

DECLARATIONS PERIOD: From 03/23/2023 to 03/23/2024 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)	\$ 2,000,000
Products-Completed Operations Aggregate Limit	\$ 2,000,000
Personal & Advertising Injury Limit	\$ 1,000,000
Each Occurrence Limit	\$ 1,000,000
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: CORPORATION

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**



One Tower Square, Hartford, Connecticut 06183

CONDOMINIUM AND COMMUNITY ASSOCIATIONS
DIRECTORS AND OFFICERS LIABILITY
COVERAGE PART DECLARATIONS

POLICY NUMBER: BIP-1T975926-23-42
ISSUE DATE: 01/27/2023

**THIS INSURANCE APPLIES ON A CLAIMS-MADE BASIS.
DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN
ADDITION TO, THE LIMITS OF INSURANCE. PAYMENT OF DEFENSE
EXPENSES WILL REDUCE, AND MAY COMPLETELY EXHAUST, THE
LIMITS OF INSURANCE.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

**NAMED INSURED: MLV TOWNHOMES OWNERS
ASSOCIATION, INC.**

INSURING COMPANY: FIDELITY AND GUARANTY INSURANCE COMPANY

COVERAGE PERIOD: From 03-23-2023 to 03-23-2024 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

RETROACTIVE DATE: UNLIMITED

The Condominium and Community Associations Liability Coverage Part consists of this Declarations, the Condominium and Community Associations Directors and Officers Liability Coverage Form and the endorsements shown below in Item 2.

1. LIMITS OF INSURANCE:

	Limits Of Insurance
Each Claim Limit	\$ 1,000,000
Aggregate Limit	\$ 1,000,000

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

DECLARATIONS PREMIUM SCHEDULE
Issue Date: 01/27/2023

Policy Number: BIP-1T975926-23-42

This Schedule applies to the Declarations for the period of 03/23/2023 to 03/23/2024.

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
CO 81147	Residential Condos Premises/Operations	s10,700	5.7009	61
	Product/Completed Operations	s10,700	0.0935	1
CO 81147	Residential Condos Premises/Operations	s10,700	5.7009	61
	Product/Completed Operations	s10,700	0.0935	1
CO 81147	Residential Condos Premises/Operations	s10,700	5.7009	61
	Product/Completed Operations	s10,700	0.0935	1
CO 81147	Residential Condos Premises/Operations	s16,050	4.9221	79
	Product/Completed Operations	s16,050	0.0623	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.

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CONDOMINIUM AND COMMUNITY ASSOCIATIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM

**THIS INSURANCE APPLIES ON A CLAIMS-MADE BASIS.
DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN
ADDITION TO, THE LIMITS OF INSURANCE. PAYMENT OF DEFENSE
EXPENSES WILL REDUCE, AND MAY COMPLETELY EXHAUST, THE
LIMITS OF INSURANCE.**

PLEASE READ THE ENTIRE FORM CAREFULLY.

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we" "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

"Coverage Period" means the Coverage Period shown in the Condominium And Community Associations Directors And Officers Liability Coverage Part Declarations. "Extended Reporting Period" means the Extended Reporting Period outlined in Section V – Extended Reporting Period.

"Declarations" means the Condominium And Community Associations Directors And Officers Liability Coverage Part Declarations.

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

SECTION I – COVERAGES

1. Insuring Agreements

a. Insuring Agreement – Management Liability Coverage

- (1) We will pay on behalf of an "insured person" any "damages" to which this insurance applies that the "insured person" becomes legally obligated to pay as a result of a "claim" first made or brought against the "insured person" during the Coverage Period or during the Extended Reporting Period, except to the extent that the "association" has indemnified the "insured person" for such "damages".

We will have the right and duty to defend the "insured person" against, and will pay "defense expenses" to which this insurance applies with respect to, any "claim" seeking "damages" to which this insurance applies. However, we will

have no duty to defend the "insured person" against, nor will we pay "defense expenses" with respect to, any "claim" seeking "damages" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "claim" and settle any "claim" that may result. But:

- (a) The amount we will pay for "damages" and "defense expenses" is limited as described in Section III – Limits of Insurance; and
- (b) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or "defense expenses".
- (2) This insurance applies to "damages" and "defense expenses" only if:
- (a) The "claim" seeking such "damages" results from a "directors and officers

DIRECTORS AND OFFICERS LIABILITY

wrongful act" committed by the "insured person":

- (i) On or after the Retroactive Date shown in the Declarations, and before the end of the Coverage Period; and
- (ii) In their capacity as an "insured person";
- (b) The "directors and officers wrongful act" is committed in the "coverage territory"; and
- (c) The "claim" is first made or brought in accordance with Paragraph e. below during the Coverage Period or the Extended Reporting Period.

b. Insuring Agreement – Association Reimbursement Coverage

- (1) We will reimburse the "association" any "damages" and "defense expenses" to which this insurance applies and for which the "association" has indemnified an "insured person" as permitted or required by law, provided that the "insured person" became legally obligated to pay such "damages", and the "insured person" incurred such "defense expenses", as a result of a "claim" first made or brought against that "insured person" during the Coverage Period or during the Extended Reporting Period. But the amount we will pay for "damages" and "defense expenses" is limited as described in Section III – Limits of Insurance.
- (2) This insurance applies to "damages" and "defense expenses" only if:
 - (a) The "claim" seeking such "damages" results from a "directors and officers wrongful act" committed by the "insured person":
 - (i) On or after the Retroactive Date shown in the Declarations, and before the end of the Coverage Period; and
 - (ii) In their capacity as an "insured person";
 - (b) The "directors and officers wrongful act" is committed in the "coverage territory"; and

- (c) The "claim" is first made or brought in accordance with Paragraph e. below during the Coverage Period or the Extended Reporting Period.

c. Insuring Agreement – Association Liability Coverage

- (1) We will pay on behalf of the "association" any "damages" to which this insurance applies that the "association" becomes legally obligated to pay as a result of a "claim" first made or brought against the "association" during the Coverage Period or during the Extended Reporting Period.

We will have the right and duty to defend the "association" against, and will pay "defense expenses" to which this insurance applies with respect to, any "claim" seeking "damages" to which this insurance applies. However, we will have no duty to defend the "association" against, nor will we pay "defense expenses" with respect to, any "claim" seeking "damages" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "claim" and settle any "claim" that may result. But:

- (a) The amount we will pay for "damages" and "defense expenses" is limited as described in Section III – Limits of Insurance; and
- (b) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or "defense expenses".
- (2) This insurance applies to "damages" and "defense expenses" only if:
 - (a) The "claim" seeking such "damages" results from a "directors and officers wrongful act" committed by the "association" on or after the Retroactive Date shown in the Declarations, and before the end of the Coverage Period;
 - (b) The "directors and officers wrongful act" is committed in the "coverage territory"; and
 - (c) The "claim" for "damages" is first made or brought in accordance with Paragraph e. below, during the

Coverage Period or the Extended Reporting Period.

- d. All "claims" arising out of the same "directors and officers wrongful act" or "related wrongful acts" committed by one or more "insured persons" will be considered a single "claim". Such single "claim" will be deemed to be first made or brought on the date the initial "claim" that results from such "directors and officers wrongful acts" or "related wrongful acts" was first made or brought pursuant to Paragraph 2. of Section IV – Conditions or on the date notice of such "directors and officers wrongful act" or "related wrongful acts" was first given pursuant to Paragraph 2. of Section IV – Conditions.
- e. A "claim" seeking "damages" will be deemed to have been first made or brought at the earlier of the following times:
 - (1) When any insured first receives written notice of such "claim"; or
 - (2) When we first receive written notice from any insured of a specific "directors and officers wrongful act" or "related wrongful acts" which resulted in such "claim", as outlined in Paragraph 2. of Section IV – Conditions.
- f. The insurance under **Insuring Agreement – Management Liability Coverage** is extended to apply to "damages" and "defense expenses" resulting from a "claim" made or brought against a person who, at the time the "claim" is made or brought, is a lawful spouse or civil union partner, or a person qualifying as a domestic partner, of the "insured person" under the provisions of any applicable federal, state or local law, but only if:
 - (1) The "claim" against such spouse, civil union partner or domestic partner results from a "directors and officers wrongful act" committed by the "insured person" to whom the spouse is married, or who is joined with the civil union partner or domestic partner; and
 - (2) Such "insured person" and their spouse, civil union partner or domestic partner are represented by the same counsel in connection with such "claim".

No spouse, civil union partner or domestic partner will, by reason of this coverage extension, have any greater right to

coverage under the Condominium And Community Associations Directors And Officers Liability Coverage Part than the "insured person" to whom such spouse is married, or to whom such civil union partner or domestic partner is joined.

We have no obligation to make payment for "damages" or "defense expenses" in connection with any "claim" against a spouse, civil union partner or domestic partner of an "insured person" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse, civil union partner or domestic partner.

- g. The insurance under **Insuring Agreement – Management Liability Coverage** is extended to apply to "damages" and "defense expenses" resulting from a "claim" made or brought against:
 - (1) The estate, heirs or legal representatives of a deceased "insured person"; or
 - (2) The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

This coverage extension only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

2. Exclusions

This insurance does not apply to:

- a. **Criminal, Dishonest, Fraudulent Or Malicious Acts**
Any "claim" arising out of any criminal, dishonest, fraudulent, or malicious act, error or omission committed by any insured, including the willful or reckless violation of any law or regulation.
- b. **Injury Or Damage**
Any "claim" arising out of "bodily injury", "property damage", "personal injury" or "advertising injury".
- c. **Contractual Liability**
Any "claim" arising out of liability under or breach of any contract or agreement, or for liability of others assumed by the "association" under any such contract or

agreement, except if the "association" would have been liable in the absence of such contract or agreement.

d. Gaining Of Profit

Any "claim" related to the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.

e. Compensation

Any "claim" related to salary, compensation or bonuses voted to or denied to any insured by the directors, officers or trustees of the "association".

f. Failure To Effect Or Maintain Insurance

Any "claim" arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.

g. Pollution

Any "claim":

- (1) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants";
- (2) Arising out of any 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
- (3) Brought by or on behalf of any governmental authority or any other person or organization 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".

h. Lead

Any "claim":

- (1) Arising out of the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead compounds or lead which is or was contained or incorporated into any material or substance;
- (2) Arising out of any 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, lead, lead compounds or lead which is or was contained or incorporated into any material or substance; or

- (3) Brought by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, lead, lead compounds or lead which is or was contained or incorporated into any material or substance.

i. Asbestos

Any "claim":

- (1) Arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos;
- (2) Arising out of any 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, asbestos, asbestos fibers or products containing asbestos; or
- (3) Brought by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

j. Serving For Other Organizations Or Associations

Any "claim" arising out of any act, error or omission committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association", even if the "association" directed or requested that "insured person" to serve in such other position or capacity.

k. Cross Insured Claims

Any "claim" brought by or on behalf of any insured against any other insured.

l. Acts Committed By Any Developer/Sponsor

Any "claim" arising out of a "directors and officers wrongful act" committed by any builder, developer or sponsor, or any person who is a director, officer, employee or agent of the builder, developer, sponsor or declarant of the "association", whether or not such person serves as a director, officer or employee of the "association".

m. Employment-Practices Liability

Any "claim" arising out of:

- (1) Refusal to employ any person;
- (2) Termination of any person's employment; or
- (3) Any employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at any person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment.

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

n. Violation Of Law Or Regulation

Any "claim" arising out of an actual or alleged violation of:

- (1) Any federal, state, county, municipal or local law, ordinance, order, directive or regulation barring discrimination, including but not limited to those based on race, color, national origin, ancestry, citizenship, gender, gender expression, sexual orientation, marital status, religion or religious belief, age, economic status, medical condition, pregnancy, parenthood or mental or physical disability.
- (2) Any state, federal or governmental antitrust statute or regulation including

the Racketeering Influenced and Corrupt Organizations Act (RICO), the Securities Act of 1933, the Securities Exchange Act of 1934, or any Blue Sky law;

- (3) The Employee Retirement Income Security Act of 1974 and its amendments; or
- (4) Any other similar provisions of any federal, state or local law or regulation.

o. Taxes, Fines Or Penalties

- (1) Any taxes, fines, or penalties, including those imposed under any provision of the Internal Revenue Code of 1986, as amended, or any similar state or local law; or
- (2) Any loss, cost or expense arising out of the imposition of such taxes, fines or penalties.

p. Access Or Disclosure Of Confidential Or Personal Information

Any "claim" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

q. Construction Defect

Any "claim" arising out of any "construction defect".

r. Prior Knowledge

Any "claim" arising out of any fact, circumstance, situation or event that is or reasonably would be regarded as the basis for a "claim" about which any director, trustee or officer of the "association" had knowledge prior to the inception of the Coverage Period shown in the Declarations.

s. Previously Reported Claims Or Notices Of Circumstances

Any "claim" arising out of the same facts, "directors and officers wrongful acts" or "related wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:

- (1) During a prior Coverage Period of this Coverage Part; or
- (2) Under any prior insurance policy of which this policy is a replacement.

t. Prior And Pending Litigation

"Damages" and "defense expenses" arising out any "claim" or other proceeding against any insured which was pending on or existed prior to the inception of the Coverage Period

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shown in the Declarations, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim" or other proceeding.

SECTION II – WHO IS AN INSURED

1. The "association" is an insured.
2. An "insured person" is an insured.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made or brought;
 - c. Persons or organizations making or bringing "claims"; or
 - d. "Directors and officers wrongful acts".
2. The Aggregate Limit is the most we will pay under this Coverage Part for the sum of all "damages" and "defense expenses" that result from all "claims".
3. Subject to the Aggregate Limit in Paragraph 2., the Each Claim Limit is the most we will pay under this Coverage Part for the sum of all "damages" and "defense expenses" that result from any one "claim".

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the Coverage Period shown in the Declarations, unless the Coverage Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Insured's Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

- a. You must see to it that we are notified as soon as practicable of a "directors and officers wrongful act" which may result in a "claim". To the extent possible, notice should include:

- (1) How, when and where the "directors and officers wrongful act" was committed;

- (2) The name and address of each "insured person" that committed the specific "directors and officers wrongful act", and the names and addresses of the potential claimants;

- (3) The reasons for anticipating a "claim" which may result from such specific "directors and officers wrongful act";

- (4) The nature of the alleged or potential "damages" arising from such specific "directors and officers wrongful act"; and

- (5) The circumstances by which the insureds first became aware of the specific "directors and officers wrongful act".

- b. If a "claim" is made or brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" and the date received; and

- (2) Notify us in writing 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";

- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of, or defense against, the "claim"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of any act, error omission 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 without our written consent.

As respects the notice requirements in Paragraphs a. through c. above, notice given by or on behalf of an "insured person" or the "association" to our authorized agent, with particulars sufficient to identify the "insured person" or the "association", will be considered notice to us.

3. Legal Action Against Us

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

- a. To join us as a party or otherwise bring us into a "claim" or suit seeking "damages" from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

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

4. Other Insurance

If valid and collectible other insurance is available to the insured for "damages" and "defense expenses" we cover under this Coverage Part, our obligations are limited as follows:

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **b.** below, insurer means a provider of insurance.

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

- (1) This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis, that is

effective prior to the inception of the Coverage Period shown in the Declarations and which applies on other than a claims-made basis if:

- (a) This Coverage Part has a Retroactive Date that precedes the inception of the Coverage Period; or
 - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations.
- (2) When this insurance is excess, we will have no duty to defend any "claim" 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.
 - (3) When this insurance is excess, we will pay only our share of the amount of "damages" and "defense expenses", if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for "damages" and "defense expenses" in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all other insurance.

We will share the remaining "damages" and "defense expenses", if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "damages" or "defense expenses" remain, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable Limits of Insurance of all insurers.

5. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or renewal in accordance with applicable insurance laws or regulations.

6. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or brought.

7. Severability Of Exclusions

A "directors and officers wrongful act" committed by any "insured person" will not be imputed to any other "insured person" for purposes of applying the exclusions set forth in Paragraph 2. of Section I – Coverages.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover from others all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

9. Conditions Applicable To This Coverage Part

Any condition relating to:

- a. Common Policy Conditions;
- b. Cancellation;
- c. Renewal, conditional renewal, nonrenewal or when we do not renew;
- d. Renewal with altered terms, including an increase in premium or a decrease in coverage;

- e. A policy period longer than one year;
- f. The method of notifying the first Named Insured, including requirements about mailing; or
- g. The insured's notice to our authorized agent is notice to us;

in any endorsement applicable to the Commercial General Liability Coverage Part attached to this policy also applies to this Coverage Part.

10. Conformance With Statutes

Any provision of this Coverage Part (including endorsements which modify the policy or this Coverage Part) that does not conform to the minimum requirements of a statute that exists on the effective date of the policy and that is applicable to the jurisdiction governing the coverage provided under this Coverage Part is amended to conform to such statute.

SECTION V – EXTENDED REPORTING PERIOD

We will provide an Extended Reporting Period if this Coverage Part is cancelled or not renewed for any reason other than non-payment of premium. This supplemental period starts with the end of the Coverage Period and lasts for three years.

- 1. 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 the exhaustion of the limit of insurance applicable to such "claims".
- 2. The Extended Reporting Period does not extend the Coverage Period or change the scope of coverage provided. It only applies to "claims" for "damages" and "defense expenses" caused by a "directors and officers wrongful act" committed on or after the Retroactive Date shown in the Declarations and before the end of the Coverage Period.
- 3. The Extended Reporting Period does not reinstate or increase the Limits of Insurance, unless the jurisdiction governing the coverage provided under this Coverage Part requires that the Limits of Insurance be reinstated in whole or part during the Extended Reporting Period; provided, however, the Limits of Insurance will be reinstated only to the extent required by such jurisdiction.

SECTION VI – DEFINITIONS

- 1. "Advertising injury":
 - a. Means injury caused by one or more of the following offenses:

- (1) Oral or written publication, including publication by electronic means, of material in your advertisement 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, including publication by electronic means, of material in your advertisement that violates a person's right of privacy; or
 - (3) Infringement of copyright, title or slogan in your advertisement.
2. "Association" means the entity named in the Declarations as the Named Insured.
 3. "Bodily injury":
 - a. Means any harm, including sickness or disease, to the health of a person.
 - b. Includes mental anguish, injury or illness, or emotional distress.
 4. "Claim" means:
 - a. A written demand for monetary damages;
 - b. A civil proceeding commenced by service of a complaint or similar pleading;
 - c. A criminal proceeding commenced by filing of charges;
 - d. A formal administrative proceeding, commenced by filing a notice of charges, formal investigative order, service of summons or similar document;
 - e. An arbitration, mediation or similar dispute resolution proceeding if the insured is obligated to participate in such proceeding or if the insured agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
 - f. A written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding, against any insured for any "directors and officers wrongful act".
 5. "Construction defect" means any actual or alleged defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of:
 - a. Faulty or incorrect design or architectural plans;
 - b. Improper soil testing;
 - c. Inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
 - d. The construction, manufacture or assembly of any tangible property;
 - e. The failure to provide construction related goods or services as represented or to pay for such goods and services; or
 - f. The supervision of any of the activities described in Paragraphs a. through e. above.
 6. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico or Canada, provided that the insured's responsibility to pay damages is determined in a "claim" on the merits in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to.
 7. "Damages":
 - a. Means a compensatory monetary award, settlement or judgment, and pre-judgment and post-judgment interest.
 - b. Does not include:
 - (1) Civil or criminal fines or penalties imposed by law;
 - (2) Punitive or exemplary damages or the multiplied portion of multiplied damages, unless such damages are required to be insured by the jurisdiction governing the coverage provided under this Coverage Part;
 - (3) Taxes or matters that are uninsurable pursuant to applicable law; or
 - (4) Non-monetary damages, including costs to comply with injunctive relief.
- When the jurisdiction governing the coverage provided under this Coverage Part does not allow pre-judgment interest to be applied within the limits of insurance, such amounts will not be considered "damages" and will be paid in addition to, and will not reduce, the Limits of Insurance.
- When the jurisdiction governing the coverage provided under this Coverage Part does not allow post-judgment interest to be applied within the limits of insurance, such amounts will not be considered "damages" and will be paid in

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addition to, and will not reduce, the Limits of Insurance.

8. "Defense expenses":

- a.** Means reasonable and necessary legal fees and expenses incurred in the investigation, defense and appeal of "claims".
- b.** Includes the cost of expert consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds (without the obligation to furnish such bonds) regarding such "claim".
- c.** Does not include the salaries, wages, benefits or overhead of, or paid to, any insured.

9. "Directors and officers wrongful act" means:

- a.** With respect to the "insured person", any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity.
- b.** With respect to the "association", any actual or alleged act, error omission, misstatement, misleading statement, neglect or breach of duty by the "association".

10. "Insured person" means:

- a.** Any director, trustee or officer of the "association" who:
 - (1)** Is currently a director, a trustee or an officer;
 - (2)** Was a director, a trustee or an officer when the "directors and officers wrongful act" was committed; or
 - (3)** Became a director, a trustee or an officer after the effective date of this insurance, but only for "directors and officers wrongful acts" that occur after such person became a director, a trustee or an officer.
- b.** Any of your employees, volunteers and members, while acting at the direction of the

"association" or at the direction of a director, trustee or officer of the "association"; or

- c.** The principal or any employee of your managing agent;

but only while acting within their scope of duties for you.

11. "Personal injury":

- a.** Means injury caused by 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;
- (4)** Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- (5)** Oral or written publication, including publication by electronic means, of material that violates a person's right of privacy.

- 12. "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.**

13. "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property; or
- b.** Loss of use of tangible property that is not physically injured.

- 14. "Related wrongful acts" means all causally connected "directors and officers wrongful acts". "Related wrongful acts" will be considered to be committed on the date that the first of such causally related "directors and officers wrongful acts" is committed.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Exclusion **i.**, **Intellectual Property**, in Paragraph **2.** of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

i. Intellectual Property

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or suit that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;

(6) Trade secret; or

(7) Other intellectual property rights or laws.

This exclusion applies regardless of whether the allegation of infringement or violation of any of these rights or laws is made by any person or organization making the claim or bringing the suit, by any insured or by any other party to the claim or suit.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

**INTERLINE
ENDORSEMENTS**



**INTERLINE
ENDORSEMENTS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
DELUXE PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
TRAVELERS PROPERTY COVERAGE PART

The following definition is added to any Definitions Section and applies to any provision that uses the term actual cash value:

Actual cash value means the value of the covered property at the time of loss or damage.

When calculating actual cash value using the estimated cost to repair or replace such property, with a reasonable deduction for depreciation that occurred before such loss or damage, we may apply depreciation to all components of the estimated cost, including the following:

- a. Materials;
- b. Labor;
- c. Overhead and profit; and
- d. Any applicable tax.

The deduction for depreciation may include such considerations as:

- a. Age;
- b. Condition, such as wear and tear or deterioration;
- c. Reduction in useful life; and
- d. Obsolescence.

This definition does not apply to covered property in the following states:

AR CA CT LA ME MT NY PR WA WV VT

POLICYHOLDER NOTICES



POLICYHOLDER NOTICES

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.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

IMPORTANT NOTICE

COLORADO DISCLOSURE FORM CLAIMS-MADE LIABILITY COVERAGE FORM

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.

THIS DISCLOSURE FORM IS NOT YOUR POLICY. IT MERELY DESCRIBES SOME OF THE MAJOR FEATURES OF OUR CLAIMS-MADE LIABILITY COVERAGE FORM. READ YOUR FORM CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR FORM DETERMINE THE SCOPE OF YOUR INSURANCE COVERAGE.

NOTE: CERTAIN WORDS OR PHRASES IN THIS NOTICE MAY HAVE DEFINED MEANINGS. REFER TO THE DEFINITIONS SECTION OF THE COVERAGE FORM.

Directors and Officers Liability Coverage provides claims-made liability coverage. It applies only to claims that seek damages to which the insurance applies, and that are first made or brought against any insured during the policy period or any extended reporting period we provide. Upon termination of your claims-made liability coverage, an extended reporting endorsement will be available to you. Extended reporting periods serve to extend the time during which claims can be made or brought against any insured.

OCCURRENCE VS. CLAIMS-MADE

There is no difference in what is covered by either occurrence or claims-made liability coverage. Claims that seek damages may be assigned to different policy periods, however, depending on which type of coverage you have purchased.

In an occurrence form, coverage is provided for liability because of injury that occurs during the policy period, no matter when the claim is made.

In your claims-made form, coverage is provided for liability if the claim that seeks damages to which this insurance applies is first made or brought against any insured during the coverage period or during any extended reporting period we provide. Under most circumstances, a claim is considered made or brought when it is received by you or us; but sometimes a claim can be deemed made or brought at an earlier time. This can happen when another claim for the same damages has already been made.

PRINCIPAL BENEFITS

Under claims-made coverage, we will pay sums that the insured becomes legally obligated to pay as damages because of injury or damage to which the insurance applies.

The principal benefits and coverages are explained in detail in your claims-made form. Please read it carefully and consult your agent about any questions you might have.

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

Your claims-made coverage and endorsements contain certain exceptions, reductions and limitations. Please read them carefully and consult your agent about any questions you might have.

EXTENDED REPORTING PERIODS

Your claims-made Directors and Officers Liability coverage includes an extended reporting period if, for any reason, you do not continue or renew that coverage. This is especially true if you change insurers and the new insurer:

- a. restricts coverage for "prior acts" or "prior injury or damage"; or
- b. provides occurrence rather than claims-made liability coverage.

If your claims-made liability coverage with us is cancelled or not renewed, or replaced or renewed by us with insurance that applies on other than a claims-made basis, we will provide an extended reporting period for that coverage.

Renewal Premiums

During the first years of continuing claims-made liability coverage, premiums are comparatively lower than equivalent occurrence liability coverage premiums. But you can expect annual premium increases in years subsequent to the first claims-made year, in addition to any other premium increases due to other causes, until the claims-made coverage reaches maturity. Typically, a mature claims-made premium is nearly the same as the premium for equivalent occurrence liability coverage.

Retroactive Date

If a retroactive date is shown in the Declarations, there is no coverage for injury or damage that occurred before the retroactive date, even if the claim is first made during the policy period or an extended reporting period.

If no retroactive date is shown in the Declarations, the retroactive date will be deemed to be the first day of the policy period.