PHILADELPHIA INDEMNITY INSURANCE COMPANY PI-CAP-002 (11/17)
One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004

610.617.7900 Fax: 610.617.7940

COMMUNITY ASSOCIATION EXECUTIVE ADVANTAGE POLICY

DECLARATIONS

NOTICE: THIS IS A CLAIMS-MADE POLICY. THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR DISCOVERY PERIOD, IF APPLICABLE, AND REPORTED TO THE INSURER AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN 90 DAYS AFTER THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

UNLESS AMENDED BY ENDORSEMENT, AMOUNTS INCURRED AS DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY AND SHALL NOT BE APPLIED AGAINST THE APPLICABLE RETENTION.

THE INSURER HAS THE DUTY TO DEFEND.

POLICY NUMBER: PCAP054281-0126 **PRODUCER: GIG Insurance Group, Inc.**

RENEWAL OF:

ITEM I. NAME AND ADDRESS OF PARENT ORGANIZATION:

Physical:
Valley View Village Homeowners Association, Inc.
Battlement Mesa
Battlement Mesa, CO 81635

Mailing: Property Professional HOA Management
Valley View Village Homeowners Association, Inc.
1430 Railroad Avenue
Suite A
Rifle, CO 81650

ITEM II. POLICY PERIOD: Inception Date: 09/21/2026 Expiration Date: 09/21/2027
(12:01 A.M. at the address set forth in Item I)

ITEM III. LIMIT OF LIABILITY: $1,000,000 in the aggregate for the **Policy Year**

ITEM IV. RETENTION: $1,000 in the aggregate each **Claim**

ITEM V. PRIOR LITIGATION DATE: 09/21/2026

ITEM VI. PREMIUM: $1,365.00 TRIA Premium: $0.00

ITEM VII. ENDORSEMENTS FORMING PART OF THIS POLICY AT ISSUANCE:

PCAP-PICYBE001-CYBER. PCAP-PIBELL1-BELL. PCAP-PICAPETS-OFAC. PCAP-PICME1-CRISIS.
PCAP-PISLD001-TRIACAPLOSS PCAP-PICAP021-WAGEHOUR. PCAP-PITERDN1-TRIANOTICE. PCAP-PICAP022-DEFENSECOS
PCAP-PICAP020-ENDORSEMEI

This Declarations page, together with the **Application**, the attached Community Association Policy Form, and all endorsements thereto, shall constitute the contract between the Insurer and the **Insureds**.

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by state law, this policy not be valid unless signed by our authorized representative.

President & CEO **Secretary**

748368

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UNLESS AMENDED BY ENDORSEMENT, AMOUNTS INCURRED AS DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY AND SHALL NOT BE APPLIED AGAINST THE APPLICABLE RETENTION.

THE INSURER HAS THE DUTY TO DEFEND.

(Words and phrases printed in **bold** , other than in the headings, are defined in Section 23 below.)

In reliance upon the truthfulness and accuracy of the statements made in the **Application**, in consideration of, and subject to, the payment of premium when due, and subject to the terms, conditions, and exclusions of this Policy, the Insurer and the **Insureds** agree as follows:

1. **Insuring Agreement:** The Insurer shall pay on behalf of the **Insureds** all **Loss** which they shall become legally obligated to pay as a result of a **Claim** first made during the **Policy Period** or **Discovery Period**, if applicable, against the **Insureds** for a **Wrongful Act** which takes place before or during the **Policy Period**.

2. **Defense Costs and Settlements:**

2.1 It shall be the right and duty of the Insurer to defend any **Claim**. The Insurer may investigate, as it deems appropriate, any **Claim**, circumstance, or **Wrongful Act** involving the **Insureds**.

2.2 The **Insureds** shall not incur any **Defense Costs**, admit any liability, assume any obligation, agree to any settlement, or make any settlement offer with respect to any **Claim** without the Insurer's prior written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for any **Defense Costs** incurred or any admissions, obligations, agreements, or settlements made by the **Insureds** without the Insurer's prior written consent.

2.3 The Insurer has the right to negotiate the settlement of any **Claims** it deems expedient, but only with the **Insured's** consent. If the **Insureds** withhold consent to such settlement, the Insurer's liability for such **Claim** is limited to the amount in excess of the Retention which the Insurer would have contributed to the settlement had the **Insured** consented to the settlement, plus **Defense Costs** covered by the Policy incurred prior to the date of such refusal to settle.

3. **Cooperation**: As a condition precedent to the **Insureds'** rights under this Policy, they shall give to the Insurer all information and cooperation as the Insurer reasonably may require and shall do nothing that may prejudice the Insurer's position or its rights of recovery.

4. **Claim Exclusions:** This Policy does not apply to any **Claim** made against any **Insured** for:

4.1

(a) bodily injury, sickness, disease, death; or

(b) emotional distress, mental anguish, false arrest or imprisonment, abuse of process, malicious prosecution, libel, slander, defamation, violation or invasion of any right of privacy or private occupancy, trespass, nuisance or wrongful entry or eviction; or

(c) damage to, destruction of, or loss of use of any tangible property;

provided, however, that part (b) of this exclusion shall not apply to any **Claim** brought by or on behalf of any **Third Person** or past, present or prospective **Insured Person** for an **Employment Practices Wrongful Act**;

4.2 for any error, misstatement, misleading statement, act, omission, neglect or breach of duty by **Insured Persons** of any **Subsidiary** in such capacity or by the **Subsidiary** itself if such error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly occurred, in whole or in part, when such entity was not a **Subsidiary**;

4.3 based upon, arising from, or in any way related to any error, misstatement, misleading statement, act, omission, neglect or breach of duty which has been reported or has been the subject of any notice under any insurance policy of which this Policy is a renewal or replacement or under any other policy which it may succeed in time;

4.4 for any actual or alleged violation of the Employee Retirement Income Security Act of 1974, amendments thereto or similar federal, state, local or common law;

4.5 based upon, arising from, or in any way related to:

(a) any demand, suit, or other proceeding against any **Insured** which has been made, which existed, or was pending prior to the applicable Prior Litigation Date set forth in Item V of the Declarations; or

(b) the same or substantially the same facts, circumstances or allegations involved in such demand, suit, or other proceeding;

4.6 brought or maintained by or on behalf of the **Insured Organization**;

4.7 based upon, arising from, or in any way related to the actual, alleged, or threatened discharge, dispersal, release or escape of **Pollutants, Fungi** or **Microbes**, or any direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants, Fungi** or **Microbes**;

4.8 based upon, arising from, or in any way related to an **Insured Person** serving as a director, officer, trustee, regent, governor, volunteer, employee, or similar position of any entity other than the **Insured Organization;** or

4.9 based upon, arising from, or in any way related to:

(a) any **Insureds** gaining in fact any personal profit, remuneration or advantage to which

they were not legally entitled; or

(b) any deliberately dishonest, malicious or fraudulent act or omission or any willful violation of law by any **Insured;** provided, however, this exclusion shall only apply if it is finally adjudicated that such conduct in fact occurred.

For purposes of determining the applicability of Section 4.9, the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person.**

4.10 based upon, arising from, or in any way related to any **Employment Practices Wrongful Act** alleged by or on behalf of an employee of the **Property Manager** .

4.11 based upon, arising from, or in any way related to any **Construction Defect**.

4.12 based upon, arising from, or in any way related to any actual or alleged liability of an **Insured**, in whole or in part, in the capacity as a builder or developer, or in the capacity of a sponsor of the **Organization**, or of an **Insured** affiliated with such a builder, developer or sponsor, and which is related to actual or alleged misconduct on the part of such builder, developer or sponsor, including but not limited to actual or alleged conflict of interest, self- dealing, or disputes concerning conversion, construction or development.

5. **Loss Exclusions:** The Insurer shall not be liable to pay any **Loss** in connection with any **Claim**:

5.1 for any obligation of the **Insured Organization** to modify any building or property in order to affect compliance with the Americans With Disabilities Act and any amendments thereto or any similar federal, state or local statute, regulation, or common laws; or

5.2 for any actual or alleged liability of any **Insured** under any contract or agreement, express or implied, written or oral, except for employment related obligations which would have attached absent such contract or agreement;

Provided, however, that these exclusions shall not apply to the Insurer's duty to defend and to pay **Defense Costs**.

6. **Application Representations and Severability**:

6.1 The **Insureds** represent that the statements and representations contained in the **Application** are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such statements and representations.

6.2 The **Insureds** agree that if the **Application** contains any material statements or representations that are untrue, this Policy shall be void as to the **Insured Organization** and any **Insured Person** who knew the facts that were not truthfully disclosed, provided that such knowledge shall not be imputed to any other **Insured Person**.

7. **Reporting Requirements:**

7.1 The **Insureds**, as a condition precedent to their rights under this Policy, shall report every **Claim** to the Insurer as soon as practicable from the date any **Executive Officer** has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Period**.

7.2 Notice of any **Claim**, circumstance, or **Wrongful Act** shall be forwarded to **Philadelphia Insurance Companies, Attention: Claims Department, One Bala Plaza Suite 100, Bala Cynwyd, Pa 19004-0950 1.800.765.9749 (phone) 1.800.685.9238 (fax)** claimsreport@phly.com

7.3 All notices under this Policy shall be sent in writing by mail, prepaid express courier, or facsimile and shall be effective upon receipt thereof by the addressee.

8. **Notice of Circumstance or Wrongful Act:** If during the **Policy Period** or the **Discovery Period** the **Insureds** become aware of any circumstance or **Wrongful Act** that reasonably may be expected to give rise to a **Claim,** and if such circumstance or **Wrongful Act** is reported to the Insurer during the **Policy Period** in writing with details as to the nature and date of such circumstance or **Wrongful Act**, the identity of any potential claimant, the identity of any **Insured Person** involved in such circumstance or **Wrongful Act**, and the manner in which the **Insureds** first became aware of such circumstance or **Wrongful Act**, then any **Claim** subsequently arising from such circumstance or **Wrongful Act** shall be deemed under this Policy to be a **Claim** made during the **Policy Period** in which the circumstance or **Wrongful Act** was first duly reported to the Insurer.

9. **Limit of Liability:**

9.1 The Insurer's maximum aggregate Limit of Liability for all **Loss** under this Policy shall be the amount set forth in Item III of the Declarations. Amounts incurred as **Defense Costs** shall be in addition to the Limit of Liability.

9.2 All **Claims** arising from the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed one **Claim** and subject to a single limit of liability. Such **Claim** shall be deemed first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**.

9.3 With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more of such **Claims**, the Insurer's duty to defend shall cease and any and all obligations of the Insurer hereunder shall be deemed to be completely fulfilled and extinguished and the Insurer shall have no further obligations hereunder of any kind or nature.

10. **Retention:** The Insurer shall be liable to pay only the amount of covered **Loss** in excess of the applicable Retention amount set forth in **Item IV** of the Declarations. Such applicable Retention shall be uninsured, shall not be applicable to **Defense Costs** and shall be borne by the **Insured Organization.**

11. **Allocation**: If a **Claim** gives rise to **Loss** covered under this Policy and loss not covered under this Policy, either because a **Claim** includes both covered and uncovered matters or both covered and uncovered parties, the **Insureds** and the Insurer shall allocate such amount between covered **Loss** and uncovered loss.

12. **Other Insurance**: If any **Loss** arising from any **Claim** is insured by other valid and collectible insurance, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy or policies, whether such other policy or policies are

stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy to this Policy's Policy Number.

13. Discovery Period:

13.1 If the Insurer or the **Parent Organization** fails or refuses to renew this Policy or if the **Parent Organization** cancels this Policy, any **Insured** shall have the right to an extension of the coverage granted by this Policy following the effective date of such cancellation or non-renewal. Such extension of coverage shall apply solely with respect to **Wrongful Acts** taking place before the effective date of such cancellation or non-renewal.

13.2 If the Insurer refuses to renew this Policy the **Discovery Period** shall be the period of ninety (90) days from the end of the **Policy Period**, and there shall be no charge for this **Automatic Discover Period** of ninety (90) days. If prior to the end of the **Automatic Discovery Period** the **Parent Organization** pays the Insurer an additional amount equal to thirty-five percent (35%) of the annual premium of this Policy, the term of the **Discovery Period** shall be extended for an additional twelve (12) months from the end of the **Automatic Discovery Period.** Such Discovery Period shall be deemed fully earned as of such date. This extension shall not apply if this Policy is terminated by the Insurer for failure to pay any premium when due.

13.3 If the **Parent Organization** fails or refuses to renew or cancels this Policy, the **Parent Organization** may purchase a **Discovery Period** of twelve (12) month from the end of the **Policy Period**, provided that the **Parent Organization** pays the Insurer an additional amount equal to thirty-five percent (35%) of the annual premium of this Policy within thirty (30) days of the end of the **Policy Period**. Such Discovery Period Premium shall be deemed fully earned as of such date.

13.4 The extension of coverage for the **Discovery Period** shall not in any way increase the Limit of Liability set forth in Item III of the Declarations. For purposes of the Limit of Liability, the **Discovery Period** is considered to be part of and not in addition to the last **Policy Year**.

14. Conversion to Automatic Run-off:

14.1 In the event of a **Change in Control** during the **Policy Period**, coverage under this Policy shall continue until the end of the **Policy Period**, but only with respect to **Claims** for **Wrongful Acts** taking place prior to the effective date of such **Change in Control**. The entire premium for this Policy shall be deemed fully earned as of the effective date of such **Change in Control**.

14.2 The **Parent Organization** shall give written notice of such **Change in Control** to the Insurer as soon as practicable, together with such information as the Insurer may reasonably require.

15. Subrogation: If the Insurer pays any **Loss** under this Policy, the Insurer shall be subrogated to the extent of such payment to all rights of recovery thereof. The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Insurer effectively to bring suit in the name of the **Insureds**. The obligations of the **Insureds** pursuant to this Section 15 survive the termination of the **Policy Period**.

16. Parent Organization as Authorized Representative : The **Insureds** agree that the **Parent Organization** shall act on their behalf with respect to all matters under this Policy,

including without limitation the giving and receiving of notices hereunder, the payment or return of premiums, and the negotiation and acceptance of endorsements.

17. Amendment, Assignment and Headings:

17.1 Any amendment to this Policy or assignment of an interest in this Policy, in whole or in part, shall be effective only if made by endorsement to this Policy signed by an authorized representative of the Insurer.

17.2 The headings to the provisions in this Policy, including those found in any endorsements attached hereto, are provided for convenience only and do not affect the construction hereof.

18. Territory: This Policy applies to **Wrongful Acts** occurring anywhere in the world, provided that a **Claim** is brought against the **Insured** within the United States of America, its territories or possessions or Canada.

19. Spousal Benefit: If a **Claim** against an **Insured Person** for a **Wrongful Act** otherwise covered under this Policy includes a claim against his/her legal spouse where the claimant asserts such claim by reason of spousal status or seeks to obtain recovery against property in which such spouse has an interest, the amount which such spouse becomes legally obligated to pay in respect of such **Claim** (including defense costs) shall be deemed the **Loss** and **Defense Costs** of such **Insured Person**, and subject to this Policy's terms, conditions, and exclusions. In any event, this extension shall not cover any conduct or wrongful act committed by such legal spouse.

20. Estates and Legal Representatives: In the event of the death, incapacity, or bankruptcy of an **Insured Person**, any **Claim** made against the estate, legal representatives, heirs, or the assigns of such **Insured Person** for a **Wrongful Act** by such **Insured Person** shall be deemed to be a **Claim** against such **Insured Person**.

21. Termination:

21.1 The Insurer may not cancel this Policy except for non-payment of premium when due. Such cancellation shall be effective as of the inception date of the **Policy Period**.

21.2 The **Parent Organization** may cancel this Policy by sending notice of cancellation to the Insurer. Such cancellation shall be effective on the date the Insurer receives such notice. The **Parent Organization** may not cancel this Policy in anticipation of or after the effective date of a **Change in Control**. In the event the **Parent Organization** cancels this Policy, the Insurer shall retain the customary short rate premium. Payment of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

21.3 If the Insurer elects not to renew this Policy, the Insurer shall provide the **Parent Organization** with not less than sixty (60) days advance notice thereof.

22. Action Against Insurer:

22.1 No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, or the amount of the **Insureds'**

obligation to pay shall have been finally determined either by judgment against the **Insureds** after actual trial, or by written agreement of the **Insureds**, the claimant and the Insurer.

22.2 No person or organization shall have the right under this Policy to join the Insurer as a party to any action against the **Insureds**, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives.

23. Definitions:

23.1 "**Application**" means all signed applications, including attachments and materials submitted therewith or as a part thereof, or incorporated therein, for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer of which this Policy is a direct or indirect renewal or replacement. All such applications, attachments, and materials are deemed attached to and incorporated into this Policy.

23.2 **"Change in Control"** means:

(a) the acquisition by another entity of voting rights resulting in voting control by such other entity of more than 50% of the outstanding voting rights representing the present right to vote for election of directors or equivalent positions of the **Parent Organization**;

(b) the merger of the **Parent Organization** into another entity such that the **Parent Organization** is not the surviving entity, or the consolidation of the **Parent Organization** with another entity; or

(c) the loss of the **Parent Organization's** not-for-profit tax status.

23.3 **"Claim"** means:

(a) a written demand for monetary or non-monetary relief against an **Insured**;

(b) the commencement of a civil or criminal judicial proceeding or arbitration against an **Insured**;

(c) the commencement of a formal criminal, administrative or regulatory proceeding or investigation against an **Insured,** including any brought before the Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency ; or

including any appeal therefrom. A **Claim** will be deemed first made on the date an **Insured** receives a written demand, complaint, indictment, notice of charges, or order of formal investigation.

23.4 **"Defense Costs"** means reasonable and necessary fees (including attorneys' fees and experts' fees) and expenses incurred in the defense of a **Claim** and cost of attachment or similar bonds, but shall not include the wages, salaries, benefits or expenses of any directors, officers or employees of the **Insured Organization**.

23.5 **"Discovery Period"** means the period of time set forth in Section 13.

23.6 **"Employment Practices Wrongful Act"** means:

(a) wrongful dismissal or discharge or termination of employment, whether actual or constructive;

(b) discrimination, whether based upon race, sex, age, national origin, religion, sexual orientation or disability;

(d) sexual or other harassment in the workplace;

(e) employment related misrepresentation;

(f) violation of employment laws;

(g) wrongful failure to employ, promote or grant tenure;

(h) wrongful discipline; **(i)**negligent evaluation; **(j)**retaliation; and/or

(I) failure to provide adequate workplace or employment policies or procedures.

Solely with respect to any **Claim** brought by or on behalf of any **Third Party**, **Employment Practices Wrongful Act** means any actual or alleged, discrimination, sexual harassment or violation of such **Third Party's** civil rights in relation to such discrimination or sexual harassment, whether direct, indirect, or unintentional, committed by an **Insured Person** in his/her capacity as an **Insured Person** or by the **Insured Organization**.

23.7 "Executive Officer" means the president, chief executive officer, chief operating officer, chief financial officer, managing director, any executive vice president and any equivalent executive position of the **Insured Organization**.

23.8 "Fungi" means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of fungi.

23.9 "Insolvency" means the status of the **Insured Organization** as a result of the appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage, or liquidate the **Insured Organization**, or the **Insured Organization** becoming an insolvent debtor-in-possession.

23.10 "Insured(s)" means the **Insured Persons** and the **Insured Organization**. Insured(s) also means any **Property Manager**, but only if the **Property Manager** is acting pursuant to the written authority granted by the **Parent Organization** or on behalf of and at the direction of the **Parent Organization** or any **Subsidiary**.

23.11 "Insured Organization" means any entity named in Item I of the Declarations and any **Subsidiary**, including any such entity operating as a debtor-in-possession.

23.12 "Insured Person(s)" means one or more natural persons who were, now are, or shall hereafter be duly elected or appointed directors, trustees, officers, employees, committee members or volunteers of the **Insured Organization,** or, with respect to a **Subsidiary** operating outside the United States, their functional equivalent, regardless of title. It also means one or more natural persons who were, now are, or shall hereafter be duly elected or appointed directors, trustees, officers, employees, committee members or volunteers of any **Property Manager**, but only if

such persons are acting within the scope of their employment with the **Property Manager** and on behalf of the **Parent Organization** or any **Subsidiary**.

23.13 "Interrelated Wrongful Acts" means **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions, or causes.

23.14 "Loss" means:

(a) sums which the **Insureds** are legally obligated to pay solely as a result of any **Claim** insured by this Policy, including damages, judgments, settlement amounts, legal fees and costs awarded pursuant to judgments, punitive or exemplary damages, and the multiple portion of any multiplied damage award; and

(b) any excise tax equal to ten percent (10%) of an excess benefit which has been assessed by the Internal Revenue Service against any **Insured Person** pursuant to Section 4658 of the Internal Revenue Code for participation of an organization manager in an excess benefit transaction.

Loss shall not include any other taxes, fines, penalties, or matters uninsurable pursuant to any applicable law.

23.15 "Microbes" means any non-fungal microorganisms or non-fungal colony-form organisms that causes infection or disease including but not limited to any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of microbes.

23.16 "Parent Organization" means the **Insured Organization** first named in Item I of the Declarations.

23.17 "Policy Period" means the period from the inception date set forth in Item II of the Declarations to the expiration date set forth in Item II of the Declarations, or its earlier termination pursuant to Section 21.

23.18 "Policy Year" means the period of one year following the effective date and hour of this Policy or the period of one year following any anniversary date thereof falling within the **Policy Period**; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period.

23.19 "Pollutants" means any substance exhibiting hazardous characteristics as is or may be identified on any list of hazardous substances issued by the United States Environmental Protection Agency, or any state, local, or foreign counterpart. This definition shall include, without limitation, any solid, liquid, gaseous or thermal irritant, or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products, waste (including material to be recycled, reconditioned or reclaimed), and any electric, magnetic or electromagnetic field of any frequency, as well as any air emission, waste water, infectious medical waste, nuclear materials, or nuclear waste.

23.20 "Subsidiary" means any entity which qualifies as a not-for-profit organization under the Internal Revenue Code and for which the **Parent Organization** has or controls the right to elect or

appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity if such right exists:

(a) prior to inception date of the **Policy Period**;

(b) after the inception date of the **Policy Period** and the assets of such entity do not exceed thirty- five percent (35%) of the total consolidated assets of the **Insured Organization** as reflected in the **Parent Organization's** most recent audited consolidated financial statement;

(c) after the inception date of the **Policy Period** and the assets of such entity exceed thirty-five percent (35%) of the total consolidated assets of the **Insured Organization** as reflected in the **Parent Organization's** most recent audited consolidated financial statement but only upon the condition that the **Parent Organization**:

(i) give written notice of such transaction to the Insurer within 90 days after the effective date of such transaction;

(i) provide the Insurer with such information as the Insurer may require; and

(ii) pay any additional premium required by the Insurer.

23.21 "Third Party" means any natural person who is an active or current customer, supplier, vendor, applicant, business invitee or other client of the **Insured Organization**.

23.22 "Wrongful Act" means:

(a) any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty, or **Employment Practices Wrongful Act** committed or attempted by the **Insured Persons** in their capacities as such or by the **Insured Organization**; or

(b) any matter claimed against the **Insured Persons** solely by reason of their status as **Insured Persons**.

23.23 "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 or services; or

(f) the supervision of such activities.

23.24 "Property Manager" means any entity providing real estate property management services to the **Insured Organization** pursuant to a written contract.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BELL ENDORSEMENT

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS

The following is a summary of Limits of Liability or Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

COVERAGE	LIMITS OF INSURANCE
Business Travel Accident Benefit	$50,000
Conference Cancellation	$25,000
Donation Assurance	$50,000
Emergency Real Estate Consulting Fee	$50,000
Fundraising Event Blackout	$25,000
Identity Theft Expense	$50,000
Image Restoration and Counseling	$50,000
Key Individual Replacement Expenses	$50,000
Kidnap Expense	$50,000
Political Unrest	$5,000 per employee: $25,000 policy limit
Temporary Meeting Space Reimbursement	$25,000
Terrorism Travel Reimbursement	$50,000
Travel Delay Reimbursement	$1,500
Workplace Violence Counseling	$50,000

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II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable.

B. Limits of Liability or Limits of Insurance

1. When coverage is provided by this endorsement and another coverage form or endorsement attached to this policy, the greater limits of liability or limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy. Additionally, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limits of liability or limits of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limits of liability or limits of insurance under any one coverage part or policy.

2. Limits of liability or limits of insurance identified in Section **I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS** above are not excess of, but are in addition to the applicable Limits of Liability or Limits of Insurance stated in the Declarations.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. Business Travel Accident Benefit

We will pay a Business Travel Accident Benefit to the insured if a director or officer suffers injury or death while traveling on a common carrier for your business during the policy period.

For the purpose of Business Travel Accident Benefit coverage, injury means:

1. Physical damage to the body caused by violence, fracture, or an accident that results in loss of life not later than one hundred eighty (180) days after the policy expiration, the date of cancellation or the date of non-renewal;

2. Accidental loss of limbs or multiple fingers;

3. Total loss of sight, speech or hearing.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

The Business Travel Accident Benefit shall not be payable if the cause of the injury was:

1. An intentional act by the insured;

2. An act of suicide or attempted suicide;

3. An act of war; or

4. A disease process.

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B. Conference Cancellation

We will reimburse the insured for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

With respect to a conference cancellation claim, it is further agreed as follows:

1. The insured employee must have registered for the conference at least thirty (30) days prior to the cancellation; and

2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

The limit of insurance for this coverage is $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

C. Donation Assurance

If the insured is a 501(c)(3) status non-profit organization as defined in the United States Internal Revenue Code, we will reimburse the insured for "failed donation claim(s)."

With respect to any "failed donation claim," it is further agreed as follows:

1. The donor must not have been in bankruptcy, nor have filed for bankruptcy or reorganization in the past seven (7) years prior to the time said pledge was made to the insured;

2. For non-cash donations, our payment of a "failed donation claim" shall be based on the fair market value of said non-cash donation at the time of the "failed donation claim";

3. In the case of unemployment or incapacitation of a natural person donor and as a condition of payment of the "failed donation claim":

a. Neither the natural person donor nor the insured shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date; and

b. The donor shall be unemployed for at least sixty (60) days prior to a claim being submitted by the insured;

4. No coverage shall be afforded for a written pledge of funds or other measurable, tangible property to the insured dated prior to the policy period; and

5. A donation amount which is to be collected by the insured over more than a twelve (12) month period shall be deemed a single donation.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

D. Emergency Real Estate Consulting Fee

We will reimburse the insured any realtor's fee or real estate consultant's fee necessitated by the insured's need to relocate due to the "unforeseeable destruction" of the insured's "principal location" listed in the Declarations during the policy period. The limit of insurance for this

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coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

E. Fundraising Event Blackout

We will reimburse the insured for "fundraising expenses" that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage. The limit of insurance for this coverage is $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

F. Identity Theft Expense

We will reimburse any present director or officer of the named insured for "identity theft expenses" incurred as the direct result of any "identity theft" first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the insured's first policy with us. The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

G. Image Restoration and Counseling

We will reimburse the insured for expenses incurred for image restoration and counseling arising out of "improper acts" by any natural person.

Covered expenses are limited to:

1. The costs of rehabilitation and counseling for the accused natural person insured, provided the natural person insured is not ultimately found guilty of criminal conduct; this reimbursement to occur after acquittal of the natural person insured;

2. The costs charged by a recruiter or expended on advertising, for replacing an officer as a result of "improper acts"; and

3. The costs of restoring the named insured's reputation and consumer confidence through image consulting.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

H. Key Individual Replacement Expenses

We will pay "key individual replacement expenses" if the Chief Executive Officer or Executive Director suffers an "injury" during the policy period which results in the loss of life during the policy period. The limit of insurance for this coverage is the lesser of $50,000 or ten (10) times the annual premium paid for this policy. No deductible applies to this coverage.

I. Kidnap Expense

We will pay on behalf of any director or officer of the insured, reasonable fees incurred as a result of the kidnapping of them or their spouse, "domestic partner," parent or child during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees will include:

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1. Fees and costs of independent negotiators;

2. Interest costs for any loan from a financial institution taken by you to pay a ransom demand or extortion threat;

3. Travel costs and accommodations incurred by the named insured;

4. Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss covered under this insurance; and

5. Salary, commissions and other financial benefits paid by you to a director or officer. Such compensation applies at the level in effect on the date of the kidnap and ends upon the earliest of:

   a. Up to thirty (30) days after their release, if the director or officer has not yet returned to work;

   b. Discovery of their death;

   c. One hundred twenty (120) days after the last credible evidence following abduction that they are still alive; or

   d. Twelve (12) months after the date of the kidnapping.

The limit of insurance for this coverage is $50,000 each policy period for all insureds combined. No deductible applies to this coverage.

J. Political Unrest Coverage

We will reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for “emergency evacuation expenses” that are incurred as a result of an incident of “political unrest.” This “political unrest” must occur during the policy period. No coverage is granted for travel to countries in a state of “political unrest” at the time of departure of the travel. The limit of insurance for this coverage is $5,000 per covered person, subject to a maximum of $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

K. Temporary Meeting Space Reimbursement

We will reimburse the insured for rental of meeting space which is necessitated by the temporary unavailability of the insured’s primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not insured under this policy. The limit of insurance for this coverage is $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

L. Terrorism Travel Reimbursement

We will reimburse any present director or officer of the named insured in the event of a “certified act of terrorism” during the policy period which necessitates that he/she incurs “emergency travel expenses.” The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

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M. Travel Delay Reimbursement

We will reimburse any present director or officer of the named insured for any "non-reimbursable expenses" they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier. The limit of insurance for this coverage is $1,500 per policy period for all insureds combined. A seventy-two (72) hour waiting period deductible applies to this coverage.

N. Workplace Violence Counseling

We will reimburse the insured for emotional counseling expenses incurred directly as a result of a "workplace violence" incident at any of the insured's premises during the policy period. The emotional counseling expenses incurred must have been for:

1. Your employees who were victims of, or witnesses to the "workplace violence";

2. The spouse, "domestic partner," parents or children of your employees who were victims of, or witnesses to the "workplace violence"; and

3. Any other person or persons who directly witnessed the "workplace violence" incident.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

IV. DEFINITIONS

For the purpose of this endorsement, the following definitions apply:

A. "Certified act of terrorism" means any act so defined under the Terrorism Risk Insurance Act, and its amendments or extensions.

B. "Communicable disease" means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent, such as, but not limited to Meningitis, Measles or Legionnaire's Disease.

C. "Domestic partner" means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the named insured.

D. "Emergency evacuation expenses" mean:

1. Additional lodging expenses;

2. Additional transportation costs;

3. The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of "political unrest"; and

4. Translation services, message transmittals and other communication expenses.

provided that these expenses are not otherwise reimbursable.

E. "Emergency travel expenses" mean:

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1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of a "certified act of terrorism"; and

2. The increased amount incurred which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a "certified act of terrorism";

provided that these expenses are not otherwise reimbursable.

F. "Failed donation claim" means written notice to the insured during the policy period of:

1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured; or

2. The unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable, tangible property to the insured.

G. "Fundraising expenses" mean deposits forfeited and other charges paid by you for catering services, property and equipment rentals and related transport, venue rentals, accommodations (including travel), and entertainment expenses less any deposits or other fees refunded or refundable to you.

H. "Identity theft" means the act of knowingly transferring or using, without lawful authority, a means of identification of any director or officer (or spouse or "domestic partner" thereof) of the named insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

I. "Identity theft expenses" mean:

1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;

2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and

3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

J. "Improper acts" means any actual or alleged act of:

1. Sexual abuse;

2. Sexual intimacy;

3. Sexual molestation; or

4. Sexual assault;

committed by an insured against any natural person who is not an insured. Such "improper acts" must have been committed by the insured while in his or her capacity as an insured.

K. "Injury" whenever used in this endorsement, other than in Section **III. A. Business Travel**,

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means any physical damage to the body caused by violence, fracture or an accident.

L. "Key individual replacement expenses" mean the following necessary expenses:

1. Costs of advertising the employment position opening;

2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and

3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up an employment contract.

M. "Natural catastrophe" means hurricane, tornado, earthquake or flood.

N. "Non-reimbursable expenses" means the following travel-related expenses incurred after a seventy-two (72) hour waiting period, beginning from the time documented on the proof of cancellation, and for which your director or officer produces a receipt:

1. Meals and lodging;

2. Alternative transportation;

3. Clothing and necessary toiletries; and

4. Emergency prescription and non-prescription drug expenses.

O. "Political unrest" means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;

2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or

3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff

for which either an alert or travel warning has been issued by the United States Department of State.

P. "Principal location" means the headquarters, home office or main location where most business is substantially conducted.

Q. "Unforeseeable destruction" means damage resulting from a "certified act of terrorism," fire, collision or collapse which renders all of the insured's "principal locations" completely unusable.

R. "Workplace violence" means any intentional use of or threat to use deadly force by any person with intent to cause harm and that results in bodily "injury" or death of any person while on the insured's premises.

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PHILADELPHIA INDEMNITY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE ENDORSEMENT

This endorsement modifies and is subject to the insurance provided under the following:

Community Association Executive Advantage Policy

The policy is amended as follows:

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

All other terms, conditions, and exclusions of this Policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRISIS MANAGEMENT ENHANCEMENT ENDORSEMENT

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

Solely for the purpose of this endorsement: 1) 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. 2) The words "we," "us" and "our" refer to the company providing this insurance.

I. SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS

The following is the Limit of Liability provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

Crisis Management Expense	$25,000

II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable. All other terms and conditions of the policy or coverage part to which this endorsement is attached remain unchanged.

B. Limits of Liability or Limits of Insurance

When coverage is provided by this endorsement and any other coverage form or endorsement attached to this policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Liability or Limit of Insurance.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. We will reimburse you for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis" to which this insurance applies. The amount of such reimbursement is limited as described in Section **II. CONDITIONS, B. Limits of Liability or Limits of Insurance**. No other obligation or liability to pay sums or perform acts or services is covered.

B. We will reimburse only those "crisis management emergency response expenses" which are incurred during the policy period as shown in the Declarations of the policy to which this coverage is attached and reported to us within six (6) months of the date the "crisis" was initiated.

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IV. DEFINITIONS

A. "Crisis" means the public announcement that an "incident" occurred on your premises or at an event sponsored by you.

B. "Crisis management emergency response expenses" mean those expenses incurred for services provided by a "crisis management firm." However, "crisis management emergency response expenses" shall not include compensation, fees, benefits, overhead, charges or expenses of any insured or any of your employees, nor shall "crisis management emergency response expenses" include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.

C. "Crisis management firm" means any service provider you hire that is acceptable to us. Our consent will not be unreasonably withheld.

D. "Incident" means an accident or other event, including the accidental discharge of pollutants, resulting in death or "serious bodily injury" to three or more persons.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY

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

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism subject to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

3. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAGE AND HOUR ENDORSEMENT

This endorsement modifies and is subject to the insurance provided under the following:

Community Association Executive Advantage Policy

The policy is amended as follows:

In consideration of the premium paid, it is hereby understood and agreed that this Policy is amended as follows:

1. The following sublimited coverage shall be added to this Policy subject to all terms and conditions unless noted herein:

   WAGE AND HOUR EXPENSE COSTS SUBLIMIT

   The Insurer shall pay on behalf of the **Insureds** for **Wage and Hour Expense Costs** incurred by the **Insured Organization** with the Insurer's consent, resulting from a **Wage and Hour Wrongful Act** that is brought and maintained by or on behalf of any past or present full-time, part-time or leased employee of the **Insured Organization.** The **Wage and Hour Wrongful Act** must first be made against such **Insured Organization** during the **Policy Period** for a **Wrongful Act** taking place before or during the **Policy Period**.

2. As respects coverage afforded by this Endorsement, Section 7. REPORTING REQUIREMENTS is amended to include the following:

   If an **Insured Organization** chooses to seek coverage for a **Wage and Hour Wrongful Act**, they must notify the Insurer in writing as soon as practicable after any **Executive Officer** becomes aware of such **Wage and Hour Wrongful Act**, but in no event later than 90 days after the end of the **Policy Period**, if applicable.

   Notice of any Wage and Hour Wrongful Act shall be forwarded to [**Philadelphia Insurance Companies Attention: Claims Department, One Bala Plaza Suite 100, Bala Cynwyd, PA 19004-0950**] claimsreport@phly.com

   All notices under this **Policy** shall be sent in writing by mail, email, prepaid express courier or facsimile and shall be effective upon receipt thereof by the addressee.

3. For purposes of coverage provided by this Endorsement, the following exclusion shall apply:

   The Insurer shall not be liable for **Loss** on account of any **Claim** made against any **Insured** for an actual or alleged violation of the responsibilities, obligations or duties imposed by the Fair Labor Standards Act (except the Equal Pay Act) or any other similar state or local law concerning wage and hour practices, including but not limited to any **Claim** for overtime, off-the-clock work, failure to provide rest or meal periods, failure to reimburse expenses, improper classification of employees as exempt or non-exempt, failure to timely pay wages, conversion, unjust enrichment or unfair business practices; however, the Insurer shall

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provide an Aggregate Sublimit of Liability of $150,000 and subject to a Retention of $1,000 for **Wage and Hour Expense Costs**.

Such Sublimit of Liability shall be part of, and not in addition to, the Limit of Liability applicable to this coverage part.

4. For purposes of this Endorsement, the following definitions shall apply:

   Wage and Hour Wrongful Act means any actual or alleged violation of the responsibilities or duties imposed by any federal, state or local statutory or common law (including, but not limited to, the Fair Labor Standards Act) governing wage, hour and payroll practices, including but not limited to any overtime, off-the-clock work, failure to provide rest or meal periods, failure to reimburse expenses, improper classification of employees as exempt or non-exempt, failure to timely pay wages, conversion, unjust enrichment or unfair business practices (excluding the Equal Pay Act, as amended).

   Wage and Hour Expense Costs means the reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Insured Organization** or other overhead of the **Insured Organization**) incurred by the **Insureds** in defending a **Wage and Hour Wrongful Act** against such **Insured** and the premium for appeal, attachment or similar bonds although the Insurer has no obligation to apply for or secure such bond.

All other terms, conditions, and exclusions of this Policy remain unchanged.

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Policy Number: PCAP054281-0126 **Named Insured:** Valley View Village Homeowners Association, Inc.

PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

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Terrorism Premium (Certified Acts) $0.00

PHILADELPHIA INSURANCE COMPANIES
DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE REJECTION OPTION

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act*: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED ABOVE AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Your attached proposal (or policy) includes a charge for terrorism. We will issue (or have issued) your policy with terrorism coverage unless you decline by placing an "X" in the box below.

NOTE 1: If -included is shown on your proposal (or policy) for terrorism you WILL NOT have the option to reject the coverage.

NOTE 2: You will want to check with entities that have an interest in your organization as they may require that you maintain terrorism coverage (e.g. mortgagees).

EXCEPTION: If you have property coverage on your policy, the following Standard Fire Policy states do not permit an Insured to reject fire ensuing from terrorism: CA, CT, GA, HI, IA, IL, ME, MA,MO, NJ, NY, NC, OR, RI, VA, WA, WV, WI. Therefore, if you are domiciled in the above states and reject terrorism coverage, you will still be charged for fire ensuing from terrorism as separately designated on your proposal.

	I decline to purchase terrorism coverage. I understand that I will have no coverage for losses arising from "certified" acts of terrorism, EXCEPT as noted above.

You, as the Insured, have 30 days after receipt of this notice to consider the selection/rejection of "terrorism" coverage. After this 30 day period, any request for selection or rejection of terrorism coverage WILL NOT be honored.

REQUIRED IN GA – LIMITATION ON PAYMENT OF TERRORISM LOSSES (applies to policies which cover terrorism losses insured under the federal program, including those which only cover fire losses)
The provisions of the Terrorism Risk Insurance Act, as amended, can limit our maximum liability for payment of losses from certified acts of terrorism. That determination will be based on a formula set forth in the law involving the national total of federally insured terrorism losses in an annual period and individual insurer participation in payment of such losses. If one or more certified acts of terrorism in an annual period causes the maximum liability for payment of losses from certified acts of terrorism to be reached, and we have satisfied our required level of payments under the law, then we will not pay for the portion of such losses above that maximum. However, that is subject to possible change at that time, as Congress may, under the Act, determine that payments above the cap will be made.

INSURED'S SIGNATURE_____
DATE_____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFENSE COSTS IN ADDITION TO LIMITS OF LIABILITY - SPECIFIED AMOUNT

This endorsement modifies and is subject to the insurance provided under the following:

COMMUNITY ASSOCIATION EXECUTIVE ADVANTAGE POLICY

The policy is amended as follows:

Section 9.1 is deleted in its entirety and replaced by the following:

The Insurer's maximum aggregate Limit of Liability for all **Loss** under this Policy shall be the amount set forth in **ITEM III** of the Declarations.

Payment by **us** of **Defense Costs** shall not initially erode the Limit of Liability listed in **ITEM III** of the Declarations. The aggregate limit for **Defense Costs** for any / all **Claims** is equal to the limit available for **Loss** set forth in **ITEM III** of the **Declarations** not to exceed $1,000,000. Once the aggregate limit for **Defense Costs** has been exhausted, any additional **Defense Costs** incurred for any/ all **Claims** shall erode the limit available for **Loss** set forth in **ITEM III** of the **Declarations.**

The Insurer is not obligated to pay **Defense Costs** once the Limit of Liability for **Loss,** listed in **ITEM III** of the Declarations, has been exhausted.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNITY ASSOCIATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION EXECUTIVE ADVANTAGE POLICY

It is agreed that the Policy is hereby amended as follows:

(1.) It is agreed that **Section 2.3** of the Policy is hereby deleted in its entirety and replaced with the following:

The Insurer has the right to negotiate the settlement of any **Claims** it deems expedient for any amount up to $15,000. If the **Insureds** withhold consent to any negotiated settlement up to $15,000, the Insurer shall waive payment of the Retention by the **Insured Organization** up to an amount of $5,000. The Retention in excess of $5,000 shall be borne by the **Insured Organization**. In addition, if the **Insureds** withhold consent to any such settlement in excess of $15,000, the Insurer's liability for such **Claim** is limited to the amount in excess of the Retention which the Insurer would have contributed to the settlement had the **Insured** consented to the settlement, and 70 percent (70%) of any additional covered **Loss,** including **Defense Costs**, incurred subsequent to such refusal to settle.

(2.) It is agreed that the preamble to **Section 4**. is deleted in its entirety and replaced with the following:

4. Claim Exclusions: This Policy does not apply to any **Claim** made against any **Insured:**

(3.) **Section 4.1** of the Policy is hereby deleted in its entirety and replaced with the following:

4.1 based upon, arising from, or in any way related to:

(a) bodily injury, sickness, disease, death; or

(b) emotional distress, mental anguish; or

(c) damage to, destruction of, or loss of use of any tangible property;

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provided, however, that part (b) of this exclusion shall not apply to any **Claim** brought by or on behalf of any **Third Person** or past, present or prospective **Insured Person** for an **Employment Practices Wrongful Act**;

(4.) **Section 4.6** of the Policy is hereby deleted in its entirety and replaced with the following:

brought or maintained by or on behalf of the **Insured** against any **Property Manager**;

(5.) **Section 4** of the Policy is hereby amended as follows:

The last paragraph of **Section 4.9** is deleted and replaced with the following:

For purposes of determining the applicability of **Sections 4.1** through **4.9,** the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person.**

(6.) **Section 5.** of the Policy is hereby amended by the addition of the following:

5.3 The Insurer shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured** based upon, arising from, or in any way related to the failure or inability of the **Insured** to effect and/or maintain adequate levels or types of insurance or bonds.

(7.) **Section 6** of the Policy is hereby deleted in its entirety and replaced with the following:

6. Application Representations and Severability:

6.1 The **Insureds** represent that the statements and representations contained in the **Application** are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such statements and representations.

6.2 The **Insureds** agree that if the **Application** contains any statements or representations that are untrue, this Policy shall be void as to:

(a) any **Insured Person** who knew the facts that were not truthfully disclosed, provided that such knowledge shall not be imputed to any other **Insured Person**. This provision shall also apply to the **Insured Organization** to the extent that it indemnifies such **Insured Person**; and/or

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(b) the **Insured Organization**, if it is established that any director or any executive officer of the **Insured Organization** knew the facts that were not truthfully disclosed;

whether or not such director or executive officer knew of such untruthful disclosure in the Application.

Except as set forth above, and solely with respect to **Loss** that is not indemnified due to the **Insured Organization's** financial insolvency or because indemnification is not legally permissible, this Policy shall not be rescinded by the Insurer in whole or in part for any reason, however, such coverage will be subject to all other terms, conditions and exclusions of the Policy.

(8) **Sections 7.2 and 7.3** of the Policy are hereby deleted in their entirety and replaced with the following:

7.2 Notice of any **Claim**, circumstance, or **Wrongful Act** shall be forwarded in writing by mail, prepaid express courier, or facsimile to [**Philadelphia Insurance Companies Attention: Claims Department, One Bala Plaza Suite 100, Bala Cynwyd, PA 19004-0950]** and shall be effective upon receipt thereof by the addressee.

7.3 In addition to the postal address set forth in **Section 7.2**, such notice may also be given in writing to the **Insurer** by email at the following email address:

claimsreport@phly.com

Your email must reference the policy number for this Policy. The date of the **Insurer's** receipt of the emailed notice shall constitute the date of notice.

(9) **Section 9** of the Policy is hereby amended by the addition of the following:

9.4 If **Loss** becomes due and payable, the Insurer shall pay such **Loss** in the following order of priority:

(a) The Insurer shall first pay such **Loss** on behalf of the **Insured Persons**; and

(b) whatever amount of the Limit of Liability remains after the payment of such **Loss,** the Insurer then shall pay such **Loss** on behalf of the **Insured Organization**.

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(10) **Sections 13.2 and 13.3** of the Policy are hereby deleted in their entirety and replaced with the following:

13.2 If the Insurer refuses to renew this Policy the **Discovery Period** shall be the period of ninety (90) days from the end of the **Policy Period**, and there shall be no charge for this **Automatic Discovery Period** of ninety (90) days. If prior to the end of the **Automatic Discovery Period** the **Parent Organization** pays the Insurer an additional amount equal one hundred percent (100%) of the annual premium of this Policy, the term of the **Discovery Period** shall be extended for an additional twelve (12) months from the end of the **Automatic Discovery Period**. Such Discovery Period Premium shall be deemed fully earned as of such date. This extension shall not apply if this Policy is terminated by the Insurer for failure to pay any premium when due.

13.3 If the **Parent Organization** fails or refuses to renew or cancels this Policy the **Parent Organization** may purchase a **Discovery Period** of twelve (12) month from the end of the **Policy Period**, provided that the **Parent Organization** pays the Insurer an additional amount equal to one hundred percent (100%) of the annual premium of this Policy within thirty (30) days of the end of the **Policy Period**. Such Discovery Period Premium shall be deemed fully earned as of such date

(11) **Section 14** is hereby deleted in its entirety and replaced with the following:

14. Change in Control

14.1 In the event of a **Change in Control** during the **Policy Period**, coverage under this Policy shall continue until the end of the **Policy Period**, but only with respect to **Claims** for **Wrongful Acts** taking place prior to the effective date of such **Change in Control.** No coverage will be available for **Loss**, including **Defense Costs**, for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly any **Wrongful Act** committed or allegedly committed after such **Change in Control**.The entire premium for this Policy shall be deemed fully earned as of the effective date of such **Change in Control**.

14.2 The **Parent Organization** shall give written notice of a **Change in Control** along with such information that the Insurer deems necessary to the Insurer 30 days after the effective date of such **Change in Control**, but in no event less than 24 hrs prior to this Policy's expiration date.

14.3 In the event of a **Change in Control** prior to the expiration of this Policy, this Policy will automatically become ineligible for renewal, regardless of whether or not the

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Insurer has been notified of such **Change in Control**. Any policy issued as a renewal of this policy following a **Change in Control**, due to lack of notice to the Insurer of such **Change in Control** or otherwise, shall automatically be void and null, and no coverage of any kind would be afforded under any such renewal of this Policy. If the provisions in **14.2** are met, the **Parent Organization** will have the right to request an offer from the Insurer for an Extended Reporting Period. Request for an Extended Reporting Period must be made to the Insurer in writing within 30 days of the effective date of the **Change in Control.** Acceptance shall be subject to any additional conditions required by the Insurer. If offered and elected, such Extended Reporting Period shall only apply to **Wrongful Acts** committed prior to the effective date of such **Change in Control** and otherwise covered by this Policy. Payment of additional premium required must be made within 45 days of the **Change in Control.**

(12) **Section 18** of the Policy is hereby deleted in its entirety and replaced with the following:

18. Territory: This Policy applies to **Wrongful Acts** occurring anywhere in the world.

(13) **Section 19** of the Policy is hereby deleted in its entirety and replaced with the following:

19. **Spousal Benefit**: If a **Claim** against an **Insured Person** for a **Wrongful Act** otherwise covered under this Policy includes a claim against his/her legal spouse or domestic partner where the claimant asserts such **claim** by reason of status as a spouse or domestic partner or seeks to obtain recovery against property in which such spouse or domestic partner has an interest, the amount which such spouse or domestic partner becomes legally obligated to pay in respect of such **Claim** (including defense costs) shall be deemed the **Loss** and **Defense Costs** of such **Insured Person**, and subject to this Policy's terms, conditions, and exclusions. In any event, this extension shall not cover any conduct or wrongful act committed by such legal spouse or domestic partner.

(14) The definition of **Claim** under **Section 23.3** of the Policy is hereby deleted in its entirety and replaced with the following:

23.3 **"Claim"** means:

(a) a written demand for monetary or non-monetary relief against an **Insured**;

(b) the commencement of a civil or criminal judicial proceeding or arbitration against an **Insured**;

(c) the commencement of a formal criminal, administrative or regulatory

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proceeding or formal investigation against an **Insured,** including any brought before the Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency ;

(d) a written request to any **Insured** by a prospective claimant to toll or waive any statute of limitation;

including any appeal therefrom. A **Claim** will be deemed first made on the date an **Insured** receives a written demand, complaint, indictment, notice of charges, or order of formal investigation.

(15) The definition of **Employment Practices Wrongful Act(s)** under **Section 23.6** of the Policy is hereby deleted in its entirety and replaced with the following:

23.6 "Employment Practices Wrongful Act" means:

(a) wrongful dismissal or discharge or termination of employment, whether actual or constructive;

(b) discrimination, whether based upon race, sex, age, national origin, religion, sexual orientation, marital status, gender identity or expression, disability, health status, military status or other protected status established under federal, state or local law;

(c) sexual harassment, whether quid pro quo or hostile work environment, or other unlawful harassment or bullying in the workplace;

(d) employment related misrepresentation;

(e) violation of employment laws;

(f) wrongful deprivation of career opportunity, wrongful demotion, or wrongful failure to employ, promote or grant tenure;

(g) wrongful discipline;

(h) wrongful evaluation, supervision, training or retention of employees;

(i) retaliation; and/or

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(j) failure to provide adequate workplace or employment policies or procedures.

Solely with respect to any **Claim** brought by or on behalf of any **Third Party**, **Employment Practices Wrongful Act** means any actual or alleged, discrimination, sexual harassment or violation of such **Third Party's** civil rights in relation to such discrimination or sexual harassment, whether direct, indirect, or unintentional, committed by an **Insured Person** in his/her capacity as an **Insured Person** or by the **Insured Organization**.

(16) The definition of **Pollutants** under **Section 23.19** of the Policy is hereby deleted and replaced by the following:

The word "noise" is deleted.

(17) The definition of **Third Party** under **Section 23.21** of the Policy is hereby deleted and replaced as follows:

23.21 "Third Party" means any natural person who is not an employee or applicant for employment.

All other terms, conditions, and exclusions of this Policy remain unchanged.

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CYBER SECURITY LIABILITY ENDORSEMENT

Effective Date: 09/21/2026

Policy Number: PCAP054281-0126

Issued To: Valley View Village Homeowners Association, Inc.

NOTICE: INSURING AGREEMENTS B. AND C. INCLUDE CLAIMS MADE AND REPORTED COVERAGE. CLAIMS MADE AND REPORTED COVERAGE REQUIRES CLAIMS TO BE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD.

CLAIM EXPENSES ARE INCLUDED WITHIN THE APPLICABLE LIMIT OF INSURANCE SHOWN ON THE SCHEDULE ANY CLAIM EXPENSES PAID UNDER THIS COVERAGE FORM WILL REDUCE THE APPLICABLE LIMITS OF INSURANCE AND MAY EXHAUST THEM COMPLETELY.

PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements and information furnished to **us** including all statements made in the application, its attachments and the material incorporated therein, which are incorporated herein and deemed to be a part of this policy, **we** agree as follows:

SCHEDULE

INSURING AGREEMENTS	
A. **Security Event Costs**	$100,000 each **Security Event**
B. Network Security and Privacy Liability Coverage	$100,000 each **Claim**
C. Employee Privacy Liability Coverage	$100,000 each **Claim**
D. Customer Notification Expenses Sublimit	$50,000 each **Security Event**
E. Public Relations Expenses Sublimit	$50,000 each **Security Event**
CYBER SECURITY ENDORSEMENT AGGREGATE LIMIT OF INSURANCE	$100,000 all **Loss**
THIS ENDORSEMENT IS SUBJECT TO THE AGGREGATE LIMIT SHOWN IN THE DECLARATIONS OF THE FOLLOWING COVERAGE PART: **COVERAGE PART: Community Association Executive Advantage** **AGGREGATE LIMIT:** $1,000,000	

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I. Deductibles (applicable only to the following)

INSURING AGREEMENTS	DEDUCTIBLE	
A. **Security Event Costs**	$1,000	Each **Security Event**
B. Network Security and Privacy Liability Coverage	$1,000	Each **Claim**
C. Employee Privacy Liability Coverage	$1,000	Each **Claim**

II. Continuity and Retroactive Dates

INSURING AGREEMENTS	CONTINUITY DATE	RETROACTIVE DATE
A. Security Event Costs	n/a	09/21/2026
B. Network Security and Privacy Liability Coverage	09/21/2026	09/21/2026
C. Employee Privacy Liability Coverage	09/21/2026	09/21/2026

Unless otherwise stated, the terms and conditions of this endorsement apply only to the coverage provided by this endorsement.

Throughout this endorsement the words "you" and "your" refer to the **Named Insured**. The words "we," "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in bold face type have a special meaning found in Section **III. DEFINITIONS.**

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

We will provide coverage only for those insuring agreements for which a premium has been paid as indicated in the **SCHEDULE** to this endorsement. Our obligation to provide coverage ends when the applicable limit of insurance has been paid.

I. INSURING AGREEMENTS

A. Security Event Costs

We will reimburse you for **security event costs** incurred that are the direct result of a **security breach, privacy breach**, or breach of **privacy regulations** if:

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1. the breach first happens after the applicable **retroactive date;**

2. the breach is first discovered by a **knowledgeable person** during the **policy period** and reported to us as soon as practicable but no later than 60 days after the end of the **policy period**; and

3. the breach involves a violation of a statute, rule, or regulation or your failure to provide required notice to affected individuals pursuant to a consent decree, judgment or settlement entered into with our prior written consent.

B. Network Security and Privacy Liability Coverage

We will pay **damages** you are legally obligated to pay and **claim expenses** incurred as a result of a **security breach** or **privacy breach** if:

1. the breach first happens after the applicable **retroactive date**;

2. the **claim** resulting from the breach is first made during the **policy period** and reported to us within 60 days after the end of the **policy period.**

C. Employee Privacy Liability Coverage

We will pay **damages** you are legally obligated to pay and **claim expenses** incurred as a result of injury to your **employee** caused by a **privacy breach** or the breach of **privacy regulations** if:

1. the breach first happens after the applicable **retroactive date;** and

2. the **claim** resulting from the breach is first made during the **policy period** and reported to us within 60 days after the end of the **policy period**.

II. INVESTIGATION, DEFENSE AND SETTLEMENT

.

A. Our Right to Investigate, Defend and Settle

1. We have the right to retain counsel to investigate and respond to a **security breach, privacy breach**, or breach of **privacy regulations** covered by this endorsement.

2. We have the right and duty to retain counsel to defend a **claim** or suit seeking to recover **damages** covered by this endorsement. If we are

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prohibited by applicable law from exercising our right to defend we will pay **reasonable and necessary legal fees**.

3. We have no duty to retain counsel, defend or pay any **loss** after the applicable limit of liability has been paid.

III. DEFINITIONS

The following definitions apply to the singular and plural forms of the words or terms:

A. **Act of terrorism** means any violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion.

B. **Adverse media report** means a broadcast or publication to the general public of a **newsworthy event**.

C. **Bodily injury** means physical injury, sickness, disease, disability, mental anguish, mental injury or emotional distress sustained by a person, including death resulting therefrom at any time.

D. **Claim** means a written demand received by you for **damages** or **non-monetary relief,** including the service of suit, an arbitration demand, an investigation or proceeding brought by a State's Attorney General or an enforcement action brought by the Federal Trade Commission to protect the privacy rights of consumers that results from a **security breach, privacy breach**, or breach of **privacy regulations**.

E. **Claim expenses** mean:

1. **Reasonable and necessary legal fees**;

2. expenses incurred in the investigation, adjustment, defense, resolution or appeal of a **claim** or circumstances a **knowledgeable person** reasonably believes are likely to result in a **claim**; and

3. the premium required to post a bond to appeal a judgment that is within the applicable limit of liability.

F. **Computer hardware** means the physical components of any **computer system** including CPU's, memory storage devices, storage media, and input/output devices and other peripheral devices and components including but not limited to cable, connectors, fiber optics, networking equipment, **electronic data** storage

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devices, input and output devices, backup facilities, wire, power supply units, keyboards, display monitors and audio speakers.

G. **Computer program(s)** means an organized set of instructions that, when executed, causes a computer to behave in a predetermined manner. **Computer program(s)** include but are not limited to communications, networking, operating system, and internet hosting applications, data processing and related computer programs used to create, maintain, modify, process, retrieve, store, and/or transmit **electronic data**.

H. **Computer system** means an electronic, wireless, web or similar systems (including all **computer hardware**, **computer programs** and **electronic data**) used to process data or information in an analog, digital, electronic or wireless format, including but not limited to, associated input and output devices, data storage devices, networking equipment, wired or wireless peripherals, electronic backup facilities, and media libraries, that is owned or leased, operated and controlled by you or operated by an authorized independent contractor.

I. **Continuity date** means the dates set forth as such in the **SCHEDULE** applicable to the relevant insuring agreement.

J. **Corporate Information breach** means public disclosure of an organization's non-public information that:

1. is in your care, custody or control; and

2. was provided to you under a written confidentiality/non-disclosure agreement.

K. **Credit protection services** means free credit report, identity theft protection services, credit monitoring services, credit freezes or fraud alerts provided to the affected individuals as appropriate. We will pay only pay for the reasonable and necessary costs and expenses incurred in providing Credit **protection services** to an affected individual for a period of twelve (12) months beginning on the date of your discovery of the **security breach** or **privacy breach**, unless a longer period is required by a statute, rule, regulation, or agreement entered into with our prior written consent.

L. **Customer notification expenses** means expenses you are obligated to incur to comply with state or federal privacy legislation mandating notification in the event of the actual or suspected **unauthorized access** by a third party to non-public personal, financial or medical information of an individual. **Customer notification expenses** include postage and other expenses you incur to provide the required notification but do not include **public relations expenses** or amounts paid to a consultant or for vendor services.

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M. Damages means a monetary judgment, award, or settlement, including punitive damages or exemplary damages where not prohibited by any potentially applicable law.

Damages does not mean:

1. multiplied damage awards, fines, taxes, sanctions, statutory penalties, or attorneys fees whether imposed by law, court or otherwise.

2. future profits, restitution, or disgorgement of profits or lost income; or the cost to comply with orders granting injunctive relief, including specific performance, or any agreement to provide such relief;

3. Return, reduction, loss, restitution or offset of fees, charges, royalties, lost profits or commissions for goods or services already provided or contracted to be provided;

4. Liquidated damages, fines or penalties owed under the terms of a contract, judgment, consent decree or settlement;

5. Any amount that may be deemed uninsurable under the law pursuant to which this policy may be construed;

6. Costs or expenses incurred to comply with injunctive, non-monetary or declaratory relief including specific performance or any agreement to provide such relief;

7. Costs or expenses incurred to convert, re-perform or complete any work; or

8. Discounts, coupons, refunds or other incentives offered to your customers or clients.

N. Denial of service means unauthorized or unexpected interference or malicious attack by any person(s) or entity(ies) that restricts or prevents access to a **computer system** by persons or entities authorized to gain access to the **computer system** or **digital assets**.

O. Digital assets mean **electronic data** and **computer programs** that exist in a **computer system. Digital assets** do not include **computer hardware.**

P. Electronic data means machine-readable information that exists in a **computer system**, including but not limited to your business information and customer information, other than **computer programs.**

Q. Electronic media means floppy disks, CD ROM's, hard drives, magnetic tapes, magnetic discs, or any other media on which **electronic data** is recorded or stored.

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R. **Employee(s)** means any individual in your service, including any part-time, seasonal, and temporary **employee**, who is compensated by salary, wages, fees or commissions and whom you have the right to direct and control, but excluding any of your partners, officers or directors. **Employee(s)** also include leased workers and independent contractors while acting on your behalf who you have agreed to indemnify in a written contract. **Employee(s)** also includes volunteers and un-paid interns in your service while performing duties equivalent to those of an employee, who have signed your **privacy policy**.

S. **Endorsement aggregate limit** means the ENDORSEMENT AGGREGATE LIMIT OF INSURANCE for this policy set forth in the **SCHEDULE**.

T. **Insured** means the **Named Insured** and a Director or Officer of a Named Insured for liability that results from his or her performance of the duties owed to the **Named Insured**.

U. **Knowledgeable person** means your Managing Partner, President, Executive Director, Chairman, Chief Information Officer, Chief Technology Officer, Chief Security Officer, Risk Manager, General Counsel or a person holding a similar position.

V. **Knowingly wrongful conduct** means dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, or gaining of any profit or advantage to which an **insured** is not legally entitled;

W. **Loss** means all amounts we are obligated to pay under this endorsement and includes **claim expenses.** **Loss** does not mean and we have no duty to pay or reimburse you for:

1. Restoring, updating or replacing **digital assets;**

2. Physical damage to the **computer hardware** or data center

3. Contractual penalties, liquidated or consequential damages, except those penalties or damages that the **insured** would be liable for in the absence of a contract or agreement;

4. Economic or market value of **digital assets;** or

5. Costs or expenses incurred to repair, restore, remediate, replace, reprogram, redesign, reconfigure, maintain, identify, patch, remove, or eradicate software program errors or **computer system** vulnerabilities; or to restore the **computer system.**

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X. **Malicious code** means unauthorized and corrupting or harmful computer code, including not limited to computer viruses, spy ware, Trojan horses, worms, logic bombs, and mutations of any of the preceding.

Y. **Named Insured** means the entity or entities identified in Item One of the Declarations to this Policy or in this endorsement as a Named **Insured.**

Z. **Non-monetary relief** means a written demand for non-economic redress of an injury.

AA. **Newsworthy event** means an actual or potential **privacy breach**, **security breach**, or violation of **privacy regulations** that has or is reasonably likely to be publicized to the general public through a media outlet.

BB. **Personally identifiable information** means any individual's name in combination with any one or more of the following, whether in electronic or paper format:

1. Social security number;

2. Driver's license number or any other state identification number;

3. Non-public medical or healthcare data including protected health information;

4. Any account number, or credit or debit card number in combination with any required password, access or other security code that would permit access to the financial account;

5. Non-public personal information as defined in any **privacy regulation**; or

6. An animal's name in combination with veterinary records or details of services deemed confidential under applicable law.

CC. **Policy period** means the period of time from the effective date to the expiration date specified in the Declarations of the policy to which this endorsement is attached

DD. **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.

EE. **Privacy breach** means a common law or statutory breach of confidence or violation of any common law or statutory rights to privacy, including but not limited to breach of your **privacy policy**, breach of a person's right of publicity, false light, intrusion upon a person's seclusion, or public disclosure of a person's or

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animal's private information. Privacy breach will also include a **corporate information breach**.

FF. **Privacy policy** means your policies in written or electronic form that govern the collection, dissemination, confidentiality, integrity, accuracy or availability of **personally identifiable information** provided to your **employees** or third parties.

GG. **Privacy regulations** mean statutes and regulations designed and intended to protect the confidentiality and use of **personally identifiable information** including:

1. Health Insurance Portability and Accountability Act of 1996 ("HIPAA");

2. Gramm-Leach-Bliley Act of 1999 ("G-L-B");

3. Privacy protection laws enacted by state governments, like the California Database Protection Act of 2003, to control access to and the use of **personally identifiable information;**

5. Privacy provisions of consumer protection laws, such as the Federal Fair Credit Reporting Act ("FCRA") and the California Consumer Credit Reporting Agencies Act ("CCCRAA");

6. Children's Online Privacy Protection Act;

7. EU Data Protection Act; and

8. Any alleged violation of law regarding the confidentiality of animal records

HH. **Professional services** means those acts or services requiring specialized knowledge, skill or professional judgment, which you render, or for which any person or entity renders on your behalf, to others pursuant to a written agreement and for a fee or other consideration.

Professional services do not include an **insured's** obligation to maintain the confidentiality of **personally identifiable information.**

II. **Property damage** means physical injury to tangible property, including all resulting loss of use of such property or loss of use of tangible property that is not physically injured.

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JJ. **Public relations expenses**, means the reasonable and necessary expenses you incur to re-establish your reputation or public image that was damaged as a direct result of **security breach**, **privacy breach**, or breach of a **privacy regulation.**

Public relations expenses do not include **customer notification expenses**.

KK. **Reasonable and necessary legal fees** means amounts incurred to obtain required legal services for rates that are no higher than the rates we would pay to qualified counsel in the region where the breach occurred or the **claim** is pending.

LL. **Related claims** means **claims** that arise out of a **security breach, privacy breach,** or breach of **privacy regulation** that share any causal connection.

MM. **Retroactive date** means those dates as set forth in the **SCHEDULE**

NN. **Security breach** means:

1. **Unauthorized access** of your **computer system** or **unauthorized use** of **computer systems** including **unauthorized access** or **unauthorized use** resulting from the theft of a password from your **computer system**;

2. A **denial of service** attack against your **computer systems**; or

3. Infection of your **computer systems** by **malicious code** or transmission of **malicious code** from your **computer systems.**

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

OO. **Security event costs** means:

1. **Reasonable and necessary legal fees;**

2. Reasonable and necessary costs and expenses you incur in providing the notification required by statutes, rule or regulations, or which you incur to comply with the terms of a judgment, consent decree, settlement, or other legal obligation, including a regulatory fine or penalty where required by law;

3. Computer forensic costs of outside experts retained to determine the scope, cause, or extent of any theft or unauthorized disclosure of information, but such expenses do not include amounts paid to or incurred by an **insured** or **employees**;

4. Amounts paid to obtain **credit protection services** for individuals affected by the **security breach**;

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5. Expenses incurred to mitigate harm to your brand or reputation following an **adverse media report**;

6. **Customer notification expenses,** but only if an amount is shown in the **SCHEDULE** for the Customer Notification Expenses Aggregate Sublimit; and

7. **Public relations expenses,** but only if an amount is shown in the **SCHEDULE** for Public Relations Expenses Aggregate Sublimit

PP. **Unauthorized access** means the gaining of access to a **computer system** by an unauthorized person or persons.

QQ. **Unauthorized use** means the use of a **computer system** by an unauthorized person or persons or an authorized person in an unauthorized manner.

IV. EXCLUSIONS

This endorsement does not provide coverage for any **Loss** arising out of or attributable, directly or indirectly, to:

A. Any failure, outages, or disruption of power, utility services, satellites, or telecommunications external services not under your direct operational control, including electrical disturbances, surge, brownout, or blackout;

B. Any seizure, destruction or damage to, or loss of use of, the **computer system** or **electronic data** arising out of any action of a governmental authority, including any delay caused by the restrictions or requirements imposed by any governmental authority;

C. Fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God, or any other physical event or peril, unless explicitly covered under this policy;

D. Failure to ensure that the **computer system** is reasonably protected by security practices and systems maintenance procedures;

E. Any **loss**, circumstance, act, error, or omission committed prior to the inception date, if on or before the inception date of this policy a **knowledgeable person** knew or could reasonably have foreseen such circumstance, act, error, or omission may be the basis of any **loss** under the Insuring Agreements or **covered cause of loss**;

F. Any loss or circumstance you previously provided notification of to a prior insurer;

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G. Any **act of terrorism**, strike or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder, defend, control, prevent or suppress any of the foregoing;

H. Any discharge, dispersal, release or escape of any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, spores, fungi, germs, soot, fumes, asbestos, acids, alkalis, chemicals and waste (including but not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials) into or upon land, the atmosphere or any water-course or body of water or any cost or expense arising out of any direction, request or voluntary action to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **pollutants**;

I. Ordinary wear and tear or gradual deterioration of the **computer system** or **digital assets**;

J. Any actual or alleged **bodily injury**; provided, however, that this exclusion shall not apply to mental injury, mental anguish or emotional distress with respect to any otherwise covered **claim** under Insuring Agreements **B. Network Security and Privacy Liability Coverage** or **C. Employee Privacy Liability Coverage**;

K. Infringement, misappropriation or violation of any patent, copyright, trademark, service mark, trade dress, trade name, or other intellectual property right;

L. Any employment practices or discrimination against or harassment of any person or entity on any basis, including but not limited to: race, creed, color, religion, ethnic background, national origin, age, handicap, disability, gender, marital status, sexual orientation or pregnancy;

M. The rendering of or failure to render **professional services**;

N. Any **knowingly wrongful conduct** on the part of an **insured**, however, we will pay **claim expenses** incurred before a determination is made that the wrongful conduct occurred as evidenced by a finding of fact, judgment, admission, plea of nolo contendere or no contest;

O. Any guarantee, representation or promise you make relating to contract price, costs, cost savings, return on investment or profitability, including your failure to meet cost guarantees, representations or contract price;

P. Any contractual liability or obligation or any breach of any contract, including any liability of others assumed by you, unless such liability would have attached to you even in the absence of such contract;

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Q. Any failure to effect or maintain any insurance or bond;

R. Any violation of the Securities Exchange Act of 1933 as amended, the Securities Exchange Act of 1934 as amended, any state Blue Sky or Securities Law or rules, regulations or amendments issued in relation to such acts, or any similar state, federal or foreign statutes or regulations;

S. Any **claim** brought by, on behalf of, or at the behest of, or for the benefit of any **insured**;

T. Any pending or prior litigation as of the **continuity date** of this endorsement as well as all future **claims** or litigation based on the prior litigation derived from the same or essentially the same facts (actual or alleged) that gave rise to the prior or pending litigation;

U. Any act committed prior to the **policy period** and subsequent to the **retroactive date** for which you gave notice under any prior insurance policy or which any **knowledgeable person** had any basis to believe might reasonably be expected to give rise to a **claim** under this endorsement;

V. Any unsolicited electronic dissemination of faxes, emails, or other communications to multiple actual or prospective customers by you or any other third party, including actual or alleged violations of:

1. The Telephone Consumer Protection Act (TCPA) as amended;

2. The CAN-SPAM Act of 2003 as amended; or

3. Any other federal, state or foreign anti-spam or telemarketing statute;

W. Any express warranties or guarantees or any liability you assume under contract unless you would have been legally liable in the absence of such contract;

X. Any dispute involving your fees or charges, or for any alleged inaccurate, inadequate or incomplete description of the price of your goods, products or services; or

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

V. POLICY TERMS AND CONDITIONS

A. Limits of Insurance

1. We shall not be liable for more than the **endorsement aggregate limit** shown in the **SCHEDULE** during a **policy period**. The **endorsement aggregate limit** shown the **SCHEDULE** is the most we will pay for all **loss** under this

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endorsement. The **endorsement aggregate limit** applies without regard to the number of: **security breaches; privacy breaches;** breaches of **privacy regulations**; **claims**; or claimants.

2. Any sub-limits shown in the **SCHEDULE** are part of, subject to, included within, and do not increase, the **endorsement aggregate limit**. The limits shown the **SCHEDULE** for each individual Insuring Agreement is the most we will pay for **loss** under that Insuring Agreement.

3. The Customer Notification Expenses Aggregate Sublimit set forth in the **SCHEDULE** is the most we will pay for **customer notification expenses** under this endorsement.

4. The Public Relations Expenses Aggregate Sublimit set forth in the **SCHEDULE** is the most we will pay for **public relations expenses** under this endorsement.

5. All **loss** resulting from, **related claims** is subject to the applicable each **claim** limit of liability in the policy in effect at the time the earliest of the **related claims** was reported.

6. The **endorsement aggregate limit** shall be part of, subject to, and not in addition to, the Aggregate Limit of Liability set forth in the Declarations of the policy to which this endorsement is attached.

B. Deductible

1. We shall be liable only for **loss** or **claim** in excess of the applicable deductible shown in the **SCHEDULE**. The deductible applies separately to each **security event** or **claim.**

2. We have no obligation to pay **loss** until the deductible has been paid.

C. In Case of Loss

1. If a **knowledgeable person** has information from which it may be reasonably concluded that a **security breach**, **privacy breach**, or breach of **privacy regulations** has occurred written notice must be provided to us as soon as practicable, but in no event later than 60 days after the end of the **policy period**.

2. No coverage is provided under this endorsement for any **loss** paid or incurred or settlement entered into without our prior written consent, which will not be unreasonably withheld. This consent requirement can be waived, at our sole discretion, if we determine that it was not possible for the **insured** to obtain our consent and the **loss** was paid or incurred to mitigate **loss.**

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3. You must provide evidence of the **loss** for which you are seeking coverage under this endorsement. You must provide detailed proof of all circumstances leading to the **loss** event, including the **loss** amount justification, as soon as practicable, but under no circumstances later than sixty (60) days after the **loss** event. You will provide us with details of the **loss**, threat or failure, including a description of the incident and as applicable, a description of the equipment involved, system logs, security logs, statements from outside experts or consultants, and a description of the **digital assets** involved.

4. You must take all reasonable steps to protect the **computer system** to prevent additional **loss** or damage. These reasonable steps include taking all necessary and reasonable measures to ensure that all traces of **malicious code** have been removed prior to using the **computer system**. Any additional loss resulting from the original **malicious code** will be subject to a separate deductible, which will be one hundred and fifty percent (150%) of the original deductible.

5. It is your sole responsibility to report the **loss** to any applicable governmental authorities, if appropriate.

6. To recover **loss** under Insuring Agreement A**.** you must complete and submit to us a signed Final Statement of Loss, in written or electronic form. Unless we agree to an extension the Final Statement of Loss must be submitted within one hundred and twenty (120) days after the **security breach, privacy breach** or breach of **privacy regulations** is discovered by a **knowledgeable person** and must include completed description of the circumstances that resulted in the **loss** and a calculation of the **loss**. The Final Statement of Loss must be duly sworn to by your Chief Financial Officer or by another officer of equal authority.

7. You must provide us all information and assistance that we reasonably request and cooperate with us and our designated representatives in the investigation and adjustment of any **loss** and the defense or resolution of any **claim**. Once we pay the adjusted covered **loss**, receipt of reimbursement will constitute a full release of our liability under this endorsement.

D. Subrogation, Salvage and Recoveries

It is agreed that upon payment of any **loss** or **claim** under this endorsement, we shall become subrogated to all your rights, title, interest and causes of action with respect to such **loss** or **claim**. You must do nothing after **loss** or **claim** to impair those rights.

In the case of recovery after payment for any **loss** or **claim** under this endorsement, the amount recovered, after deducting the actual cost of obtaining or making such recovery but excluding your own labor or establishment costs, shall be applied in the following order:

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1. To reimburse you in full for the part, if any, of such **loss** or **claim** that exceeds the amount of **loss** or **claim** paid under this endorsement (excluding the amount of any applicable deductible);

2. The balance if any, or the entire net recovery if no part of such **loss** or **claim** exceeds the amount of **loss** or **claim** paid under this endorsement to reimburse us;

3. To that part of such **loss** or **claim** you sustained by reason of the Deductible shown in the **SCHEDULE** and/or to that part of such **loss** or **claim** is covered by any policy(ies) of insurance to which this endorsement is excess.

E. Other Insurance

Except for **customer notification expenses** and **public relations expenses,** coverage provided under this endorsement shall be excess of any valid and collectible insurance provided to you by other insurers.

Customer notification expenses and public **relations expenses** shall be considered primary insurance under this endorsement.

F. Headings

The descriptions in the headings of this endorsement attached hereto are solely for convenience, and form no part of the terms and conditions of coverage.

G. Coordination Among Insuring Agreements

Coverage exists only for those Insuring Agreements designated as included in the **SCHEDULE** and for which a premium was paid. Each Insuring Agreement contains terms which limit coverage.

In the event that **loss** is covered by Insuring Agreement B. and C. we will not pay more than the lesser of the actual **loss** or the highest available Limit of Liability. In no event will we be required to pay more than the **endorsement aggregate limit** identified in the **SCHEDULE**.

If coverage is provided under more than one Insuring Agreement for the same **claim** or loss, the maximum applicable deductible shall be the highest applicable deductible that applies under any Insuring Agreement providing coverage.

In the event that **loss** is covered by more than one Insuring Agreement **of** the endorsement, the policy to which it is attached or any other policy issued by us we will not pay more than the lesser of the actual **loss** or the highest available Limit of Liability of the applicable Insuring Agreement or policy.

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H. Extended Reporting Periods – Applicable to Insuring Agreements B and C.

1. If we or you cancel or refuse to renew this endorsement for reasons other than non-payment of premium, we will provide to you a sixty (60) day Automatic Extension of the coverage granted by this endorsement, at no additional charge, for any **claim** first made against you and reported to us during the sixty (60) day extension period but only as respects acts, errors or omissions committed after the **retroactive date** (if any) stated in the **SCHEDULE** and prior to the date of cancellation or non-renewal. In the event you purchase replacement coverage for this endorsement or a Supplemental Extended Reporting Period under 2. below, said sixty (60) day Automatic Extension period will terminate upon the effective date of said replacement coverage or extended reporting period.

2. If we or you cancel or refuse to renew this endorsement for reasons other than non-payment of premium, you shall have the right to purchase an optional Supplemental Extended Reporting Period for twelve months (12) for 100% of the expiring annual premium; twenty-four months (24) for 125% of the expiring annual premium; thirty-six months (36) for 150% of the annual expiring premium; forty-eight months (48) for 175% of the expiring annual premium; sixty months (60) for 200% of the expiring annual premium; seventy-two months (72) for 225% of the expiring annual premium This extension will provide coverage granted by this endorsement for any claim first made against you and reported to us during the Supplemental Extended Reporting Period. This Supplemental Extended Reporting Period only applies to acts, errors or omissions committed after the **retroactive date** (if any) stated in the **SCHEDULE** and prior to the date of cancellation or non-renewal. You must apply for this extension in writing accompanied by payment of the appropriate premium prior to the expiration of the sixty (60) day Automatic Extension period under 1. above, such premium for the Supplemental Extended Reporting Period shall be fully earned at inception.

3. Terms and Conditions of Basic and Supplemental Extended Reporting Period

a. At policy renewal, our offer of a different premium, deductible, limit of insurance, or change in policy language shall not constitute non-renewal for the purposes of granting the optional extended reporting period.

b. The right to the extended reporting period shall not be available to you when cancellation or non-renewal is due to non-payment of premium.

c. The limit of insurance for the extended reporting period shall be part of, and not in addition to, our limit of insurance for the **policy period**.

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