

Council of Unit Owners of Annen Woods Condominium No. 2

Manager /Cover letters





Dear Prospective Homeowner:

We would like to take this opportunity to introduce ourselves. WPM Real Estate Management is the managing agent for your Association. As the managing agent, we have the responsibility of the day to day operations of the Association and the maintenance of its common elements.

One of our responsibilities to the homeowner or Association includes the collection of Association fees. If your fees are paid monthly or quarterly we have enclosed a temporary coupon for making your next payment. You will be sent a regular coupon book in a timely manner following the receipt of your settlement sheet. The coupon book will be mailed directly to you from our publishing agent, and all subsequent payments should be sent directly to the bank's lock box processing department address printed on the coupon.

To assure a smooth transition from the former owner to you please make sure that we receive a copy of your settlement sheet immediately following your settlement. Also, please complete the following Emergency Contact form and return it to our office.

Should you have any questions please do not hesitate to contact our office at 443-796-7400.

Sincerely,

The Staff at WPM Real Estate Management



Council of Unit Owners of Annen Woods Condominium No. 2

Approved Resolutions



Council of Unit Owners of Annen Woods Condominium No. 2
Resolution

**Authorizing Electronic Transmission of Information, Notices of Meetings
and Electronic Submission of Votes or Proxies**

WHEREAS, Article V, Section 2 of the Bylaws of Council of Unit Owners of Annen Woods Condominium No. 2 (the "Bylaws") assigns to the Board of Directors all powers and duties necessary for the administration of the affairs of the Council of Unit Owners of Annen Woods Condominium No. 2 (the "Council") and provides that the Board of Directors may do all such acts and things, except those matters that the Board is prohibited from doing by law or the Council's governing documents; and

WHEREAS, the Council, in accordance with Section 11-139.1 of the Maryland Condominium Act (the "Act"), may provide notice of a meeting or deliver information to a Unit Owner by electronic transmission if the Board of Directors gives the Council the authority to provide notice of a meeting or deliver information by electronic transmission; and

WHEREAS, the Board of Directors, in accordance with Section 11-139.2 of the Act, may authorize Unit Owners to submit a vote or proxy by electronic transmission if the electronic transmission contains information that verifies that the vote or proxy is authorized by the Unit Owner or Unit Owner's proxy.

NOW, THEREFORE, BE IT RESOLVED that the Council's Board of Directors hereby adopts the following policies:

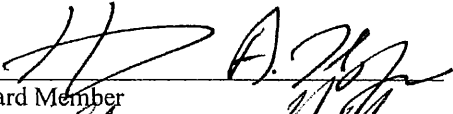
Notice and Delivery By Electronic Transmission


1. The Council is authorized to provide notice of meetings and deliver information to a Unit Owner by electronic transmission. This authorization is contingent upon:
 - A. The Unit Owner giving the Council prior written authorization to provide notice of a meeting or deliver information by electronic transmission; and
 - B. An officer or agent of the Council certifying in writing that the Council has provided notice of a meeting or delivered material or information as authorized by the Unit Owner.
2. Notice or delivery by electronic transmission shall be considered ineffective to a Unit Owner if:
 - A. The Council is unable to deliver two consecutive notices to that Unit Owner; and
 - B. The inability to deliver the electronic transmission becomes known to the person responsible for sending the electronic transmission.

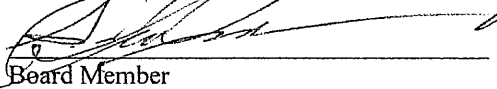
Voting By Electronic Transmission

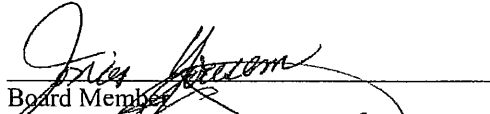
3. Unit Owners may submit a vote or proxy by electronic transmission. This authorization is contingent upon:
- A. The electronic transmission containing information that verifies that the vote or proxy is authorized by the Unit Owner or Unit Owner's proxy.
 - B. In any matter where the governing documents of the Council require voting by secret ballot, and the anonymity of voting by electronic transmission cannot be guaranteed, voting by electronic transmission shall be permitted if Unit Owners have the option of casting anonymous printed ballots.

The foregoing Resolution is hereby adopted on this 22nd day of March, 2017 by the Board of Directors of Council of Unit Owners of Annen Woods Condominium No. 2


Board Member


Board Member


Board Member


Board Member


Board Member


Board Member

Council of Unit Owners of Annen Woods Condominium No. 2

Balance Sheet and Income/Expense
Statement



01/18/2022
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0102 Annen Woods Condominium No. 2 Balance Sheet (ASBS) 12/31/2021
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Page: 1

c/o WPM Real Estate Management
11433 Cronridge Drive
Owings Mills MD 21117-2294

TX
RD

ASSETS			
Cash			
10100.CAB	Operating Checking Comm Assoc Bank (CAB)	72,001.68 ✓	
10202.CAB	Cash - Debit Card	388.49 ✓	
12020.CB	Reserve Congressional Bank	232,889.82 ✓	
12020.REV	Reserve Sandy Spring Bank	189,729.72 ✓	
	Total Cash		495,009.71
Other Assets			
14830	Prepaid Expenses	802.56 ✓	
	Total Other Assets		802.56
	TOTAL ASSETS		495,812.27 ✓
LIABILITIES & EQUITY			
Liabilities			
20010	Prepaid Owner Assessments	14,144.99 ✓	
20200	Accrued Expenses	3,872.52 ✓	
	Total Liabilities		18,017.51
Reserves			
30000	Beginning Reserves	434,493.93	
30100	Reserve Contribution	61,674.96 ✓	
30200	Reserve - Interest Posted	1,306.53 ✓	
32000.C600	Concrete Replacement	(1,985.00)	
32000.R100	Reserve Study	(2,514.88)	
32000.R750	Roof	(70,356.00)	
	Total Reserves		422,619.54 ✓
Equity			
36000	Retained Earnings	51,530.70	
	Current Year Net Income/(Loss)	3,644.52 ✓	
	Total Equity		55,175.22
	TOTAL LIABILITIES AND EQUITY		495,812.27 ✓

01/18/2022
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0102 Annen Woods Condominium No. 2
Income/Expense Statement (ASPL)
12/31/2021

Page: 1

c/o WPM Real Estate Management
11433 Cronridge Drive
Owings Mills MD 21117-2294

Description	Current Month			Year-to-Date			Yearly Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
INCOME							
41000 Assessments	26,400	26,400	0	316,800	316,800	0	316,800
41990 Bad Debt	0	0	0	(515)	0	(515)	0
42210 Late Fees	0	0	0	45	0	45	0
44001 Interest On Checking	3	0	3	32	0	32	0
TOTAL INCOME	26,403	26,400	3	316,362	316,800	(438)	316,800
EXPENSES							
Payroll							
50000 Salaries/Payroll	45	3,610	3,565	42,059	46,965	4,906	46,965
50245 Overtime	0	41	41	663	448	(215)	448
50250 Temporary Staffing	361	62	(299)	361	700	339	700
50252 Temporary - Trash	128	0	(128)	128	0	(128)	0
50570 Uniforms	0	37	37	0	400	400	400
Total Payroll	533	3,750	3,217	43,211	48,513	5,302	48,513
Utilities							
51500 Electric	722	875	153	13,518	14,200	682	14,200
51510 Electric Private Lighting	433	437	4	5,194	5,200	6	5,200
51600 Water & Sewer	0	438	438	15,831	5,300	(10,531)	5,300
51660 Telephone	558	551	(7)	6,825	6,678	(147)	6,678
Total Utilities	1,713	2,301	588	41,369	31,378	(9,991)	31,378
Repairs & Maintenance							
52000 General Repairs & Maint.	0	750	750	4,225	9,000	4,775	9,000
52370 Electrical Repairs	0	38	38	0	500	500	500
52390 Elevator Repairs	0	62	62	0	700	700	700
52510 Fire Alarm-Repair	0	150	150	2,766	1,800	(966)	1,800
52730 HVAC	0	87	87	0	1,000	1,000	1,000
52780 Landscaping	0	0	0	442	5,549	5,107	5,549
52990 Plumbing Repairs	0	500	500	290	6,000	5,710	6,000
53100 Roof Repair	0	163	163	6,645	2,000	(4,645)	2,000
53170 Signs	0	0	0	65	0	(65)	0
53250 Tree Removal/Replacement	0	0	0	5,473	2,500	(2,973)	2,500
55100 Janitorial Supplies	39	62	23	697	700	3	700
55160 Maintenance Supplies	0	125	125	1,087	1,500	413	1,500
Total Repairs & Maintenance	39	1,937	1,898	21,688	31,249	9,561	31,249
Contracted							
57140 Dryer Vent Cleaning	0	0	0	3,901	3,901	0	3,901
57160 Elevator	0	0	0	5,804	5,789	(15)	5,789
57165 Elevator Inspection	0	0	0	445	350	(95)	350
57190 Entry System Monitoring	0	0	0	5,950	0	(5,950)	0
57210 Exterminating	84	91	7	1,050	1,092	42	1,092
57230 Fire Alarm Inspection	0	0	0	700	0	(700)	0
57290 Fire/Safety	827	1,667	840	827	1,667	840	1,667
57440 HVAC	0	0	0	1,095	1,072	(23)	1,072
57510 Lawn Contract	3,873	1,289	(2,584)	15,490	15,490	0	15,490
57528 Lobby Entrance System	0	7,800	7,800	0	7,800	7,800	7,800
57530 Lobby Plant Maintenance	425	438	13	5,178	5,256	78	5,256
57580 Plumbing Contract	0	0	0	4,915	0	(4,915)	0
57720 Snow Removal	0	1,625	1,625	6,380	6,500	120	6,500
57740 Sprinkler- Inspection	0	0	0	1,440	1,440	0	1,440
57820 Trash Compactor	0	0	0	3,190	0	(3,190)	0
57910 Watering	0	0	0	0	1,500	1,500	1,500
57920 Atrium Window Cleaning	0	150	150	240	300	60	300
Total Contracted	5,208	13,060	7,852	56,605	52,157	(4,448)	52,157
Administrative							
60100 Collection Expense	0	0	0	65	0	(65)	0
60370 Master Association Fees	3,754	3,758	4	45,050	45,052	2	45,052

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0102 Annen Woods Condominium No. 2
Income/Expense Statement (ASPL)
12/31/2021

Page: 2

c/o WPM Real Estate Management
11433 Cronridge Drive
Owings Mills MD 21117-2294

Description		Actual	Current Mont Budget	Variance	Actual	Year-to-Date Budget	Variance	Yearly Budget
60420	Office Supplies	65	87	22	1,360	1,000	(360)	1,000
60440	Postage	10	19	9	191	250	59	250
60605	Social Committee	625	100	(525)	625	1,200	575	1,200
	Total Administrative	4,454	3,964	(490)	47,291	47,502	211	47,502
	Professionals							
67000	Accounting	0	0	0	1,900	1,900	0	1,900
67300	Legal	0	163	163	4,490	2,000	(2,490)	2,000
67600	Management	1,195	1,196	1	14,341	14,341	0	14,341
	Total Professionals	1,195	1,359	164	20,731	18,241	(2,490)	18,241
	Insurance & Taxes							
68050	Insurance - Master Policy	0	0	0	15,139	15,141	2	15,141
68350	Common Area - Claim Submitted	0	5,000	5,000	0	5,000	5,000	5,000
68800	Income Taxes	0	900	900	265	1,200	935	1,200
	Total Insurance & Taxes	0	5,900	5,900	15,404	21,341	5,937	21,341
	Reserves							
85000	Reserve Contribution	5,140	5,135	(5)	61,675	61,675	0	61,675
85025	MA - Replacement Reserve Fee	395	399	4	4,744	4,744	0	4,744
	Total Reserves	5,535	5,534	(1)	66,419	66,419	0	66,419
	TOTAL EXPENSES	18,678	37,805	19,127	312,718	316,800	4,083	316,800
	NET INCOME/(LOSS)	7,725	(11,405)	19,130	3,645	0	3,645	0

Council of Unit Owners of Annen Woods Condominium No. 2

Budgets



0102 Annen Woods Condominium No. 2

As of 8/31/2021

2022 APPROVED Budget

	Account		2016	2017	2018	2019	2020	Tot-2021	2022
	Number		Actual	Actual	Actual	Actual	Actual	Budget	APPROVED
			\$500	\$525.00	\$525.00	\$525.00	\$550.00	\$550.00	\$587.00
		Income							
1	41000	Assessments	288,000	302,400	302,400	302,400	316,800	316,800	338,112
2	42990	Miscellaneous Income	461	62	40	38	1,931	0	0
3		Total Income	288,461	302,462	302,440	302,438	318,731	316,800	338,112
		EXPENSES							
		Payroll							
4	50000	Salaries/Payroll	43,199	40,554	45,765	46,409	48,764	46,965	48,987
5	50245	Overtime	0	0	0	911	1,668	448	443
6	50250	Temporary Staffing	107	796	200	870	263	700	0
7	50252	Temporary - Trash	53	178	330	0	0	0	700
8	50570	Uniforms	643	0	0	550	0	400	400
9		Total Payroll	44,002	41,528	46,295	48,740	50,695	48,513	50,530
		Utilities							
10	51500	Electric	14,728	13,234	15,733	11,147	12,596	14,200	13,500
11	51510	Electric Private Lighting	0	4,271	5,528	4,765	5,187	5,200	5,200
12	51600	Water & Sewer	4,370	4,886	3,532	3,323	10,648	5,300	10,000
13	51660	Telephone	2,559	3,103	3,005	3,060	6,694	6,678	6,900
14	51880	Street Lights	4,840	0	0	0	0	0	0
15		Total Utilities	26,497	25,494	27,798	22,295	35,125	31,378	35,600
		Repairs & Maintenance							
16	52000	General Repairs & Maint.	11,066	20,934	4,744	29,945	8,568	9,000	10,450
17	52370	Electrical Repairs	370	272	1,595	(449)	0	500	500
18	52390	Elevator Repairs	3,354	0	0	90	4,652	700	700
19	52510	Fire Alarm-Repair	1,726	1,874	260	3,079	1,155	1,800	1,800
20	52730	HVAC	1,584	1,873	0	260	0	1,000	1,000
21	52780	Landscaping	5,614	4,007	11,418	6,737	3,239	5,549	2,680
22	52990	Plumbing Repairs	8,058	6,292	3,275	3,043	5,817	6,000	5,000
23	53100	Roof Repair	0	3,100	3,780	161	2,400	2,000	2,000
24	53250	Tree Removal/Replacement	3,525	1,000	5,250	2,850	5,675	2,500	3,824
25	55100	Janitorial Supplies	533	565	590	778	630	700	700
26	55160	Maintenance Supplies	3,162	1,946	2,220	1,487	1,594	1,500	1,355
27		Total Repairs & Maintenance	38,992	41,863	33,132	47,981	33,730	31,249	30,009

0102 Annen Woods Condominium No. 2

As of 8/31/2021

2022 APPROVED Budget

	Account		2016	2017	2018	2019	2020	Tot-2021	2022
	Number		Actual	Actual	Actual	Actual	Actual	Budget	APPROVED
		Contracted							
28	57140	Dryer Vent Cleaning	3,840	4,030	3,975	4,101	3,901	3,901	1,951
29	57160	Elevator	4,925	5,103	5,287	5,480	5,620	5,789	5,804
30	57165	Elevator Inspection	950	570	1,350	1,050	350	350	445
31	57190	Entry System Monitoring	0	0	0	0	0	0	3,000
32	57210	Exterminating	870	1,050	840	840	924	1,092	1,008
33	57220	Fertilization	2,661	2,395	266	0	0	0	0
34	57230	Fire Alarm Inspection	0	0	0	0	0	0	700
35	57250	Fire Extinguisher Contract	386	0	0	0	0	0	0
36	57290	Fire/Safety	1,750	2,539	1,618	827	827	1,667	0
37	57440	HVAC	924	952	980	1,010	1,040	1,072	1,095
38	57510	Lawn Contract	12,953	12,020	16,213	15,490	15,490	15,490	18,840
39	57528	Lobby Entrance System	0	0	0	0	0	7,800	0
40	57530	Lobby Plant Maintenance	5,016	5,136	5,136	5,226	5,256	5,256	5,100
41	57580	Plumbing Contract	0	0	0	0	0	0	6,565
42	57720	Snow Removal	5,736	3,258	4,190	4,300	2,905	6,500	6,000
43	57740	Sprinkler- Inspection	0	1,440	1,440	1,440	2,140	1,440	1,440
44	57820	Trash Compactor	0	0	0	0	0	0	4,790
45	57910	Watering	0	0	0	5,060	120	1,500	0
46	57920	Window Cleaning	200	0	0	150	150	300	960
47		Total Contracted	40,211	38,493	41,295	44,974	38,723	52,157	57,698
		Administrative							
48	60100	Collection Expense	15	10	25	15	45	0	50
49	60370	Master Association Fees	48,282	44,817	44,756	44,258	45,146	45,052	50,620
50	60420	Office Supplies	2,398	1,340	1,322	1,170	1,020	1,000	1,000
51	60440	Postage	251	207	267	228	186	250	250
52	60605	Welcoming Committee	0	0	1,500	900	900	1,200	900
53		Total Administrative	50,946	46,374	47,870	46,571	47,297	47,502	52,820
		Professionals							
54	67000	Accounting	1,700	1,700	1,800	1,800	1,900	1,900	1,950
55	67005	Professional Fees	2,000	1,000	0	0	0	0	0
56	67300	Legal	876	0	0	0	3,765	2,000	1,000
57	67600	Management	12,370	12,741	13,123	13,517	13,923	14,341	15,775
58		Total Professionals	16,946	15,441	14,923	15,317	19,588	18,241	18,725
		Insurance & Taxes							
59	68050	Insurance - Master Policy	14,607	16,636	17,427	14,412	16,518	15,141	15,478
60	68350	Common Area - Claim Submitted	3,416	0	0	0	0	5,000	5,000
61	68355	Common Area - Self Insured	0	9,317	0	0	0	0	0
62	68365	Unit - Self Insured	250	0	0	0	1,223	0	0
63	68800	Income Taxes	0	0	0	300	1,861	1,200	1,000
64		Total Insurance & Taxes	18,273	25,953	17,427	14,712	19,602	21,341	21,478

0102 Annen Woods Condominium No. 2

As of 8/31/2021

2022 APPROVED Budget

	Account		2016	2017	2018	2019	2020	Tot-2021	2022
	Number		Actual	Actual	Actual	Actual	Actual	Budget	APPROVED
		Reserves							
65	85000	Reserve Contribution	58,255	58,255	58,255	58,255	68,011	61,675	65,982
66	85025	MA - Replacement Reserve Fee	4,367	4,367	4,744	4,744	4,744	4,744	5,270
67		Total Reserves	62,622	62,622	62,999	62,999	72,755	66,419	71,252
68		TOTAL EXPENSES	298,489	297,768	291,739	303,589	317,515	316,800	338,112
69		NET INCOME/(LOSS)	(10,028)	4,694	10,701	(1,151)	1,216	-	-

Council of Unit Owners of Annen Woods Condominium No. 2

Bylaws



0027752 005

**AMENDED AND RESTATED
BY-LAWS
OF
ANNEN WOODS CONDOMINIUM NO. 2**

WV FE SURE \$ 20.00
RECORDING FEE 75.00
TOTAL 95.00
Rec'd \$415 Rec'd \$ 489.07
SH UM 6/18/03
May 09, 2003 11:30 AM

ARTICLE I	1
Name, Location and Function	1
Section 1. <u>Condominium Regime</u>	1
Section 2. <u>Amended and Restated By-Laws</u>	1
Section 3. <u>Name and Location</u>	1
ARTICLE II	1
Definitions	1
Section 1. <u>Definitions</u>	1
ARTICLE III	2
Ownership	2
Section 1. <u>Owners</u>	2
Section 2. <u>By-Laws Applicability</u>	2
ARTICLE IV	2
Meeting of Council of Unit Owners	2
Section 1. <u>Place of Meetings</u>	2
Section 2. <u>Annual Meetings</u>	2
Section 3. <u>Special Meetings</u>	3
Section 4. <u>Notice of Meetings</u>	3
Section 5. <u>Quorum</u>	3
Section 6. <u>Voting</u>	4
Section 7. <u>Proxies</u>	4
ARTICLE V	5
Directors	5
Section 1. <u>Number and Qualification</u>	5
Section 2. <u>Powers and Duties</u>	5
Section 3. <u>Management Agent</u>	6
Section 4. <u>Elections and Terms of Office</u>	6
Section 5. <u>Vacancies</u>	6
Section 6. <u>Removal of Directors</u>	6
Section 7. <u>Compensation</u>	7
Section 8. <u>Regular Meetings</u>	7
Section 9. <u>Special Meetings</u>	7
Section 10. <u>Waiver of Notice</u>	7
Section 11. <u>Quorum</u>	7
Section 12. <u>Fidelity Bonds</u>	7
Section 13. <u>Nominations</u>	8
ARTICLE VI	8
Officers	8
Section 1. <u>Designation</u>	8

Section 2.	<u>Election of Officers</u>	8
Section 3.	<u>Removal of Officers</u>	8
Section 4.	<u>President</u>	9
Section 5.	<u>Vice President</u>	9
Section 6.	<u>Secretary</u>	9
Section 7.	<u>Treasurer</u>	9
Section 8.	<u>Compensation</u>	9
ARTICLE VII		9
Liability and Indemnification of Officers and		
Directors		9
Section 1.	<u>Liability and Indemnification of Officers</u> <u>and Directors</u>	9
Section 2.	<u>Common or Interested Directors</u>	10
ARTICLE VIII		11
Management		11
Section 1.	<u>Management and Common Expenses</u>	11
Section 2.	<u>Management Agent</u>	12
Section 3.	<u>Duty to Maintain</u>	12
Section 4.	<u>Right of Entry</u>	13
Section 5.	<u>Limitation of Liability</u>	13
ARTICLE IX		13
Condominium Assessments		13
Section 1.	<u>Annual Condominium Assessments</u>	13
Section 2.	<u>Special Assessments</u>	15
Section 3.	<u>Reserve for Replacements</u>	15
Section 4.	<u>Non-Payment of Assessment</u>	16
Section 5.	<u>Assessment Certificates</u>	17
Section 6.	<u>Acceleration of Installments</u>	17
Section 7.	<u>Enforcement</u>	17
Section 8.	<u>Subordination and Mortgagee Protection</u>	17
Section 9.	<u>Definition</u>	18
Section 10.	<u>Foreclosure of Assessment Lien</u>	18
ARTICLE X		18
Use Restrictions		18
Section 1.	<u>Use</u>	18
Section 2.	<u>Prohibited Uses and Nuisances</u>	18
ARTICLE XI		21
Architectural Standards		21
Section 1.	<u>Architectural Standards Committee</u>	21
ARTICLE XII		22
Hearing Procedures		22
Section 1.	<u>Statement of Purpose</u>	22
Section 2.	<u>Rules</u>	23
Section 3.	<u>Rule Adoption - Hearing and Comment</u>	23
Section 4.	<u>Right of Appeal</u>	24

Section 5. <u>Effect of Rules</u>	24
ARTICLE XIII	24
Insurance	24
Section 1. <u>Insurance</u>	24
ARTICLE XIV	27
Casualty Damages	27
Section 1. <u>Use of Insurance Proceeds</u>	27
ARTICLE XV	27
Fiscal Management	27
Section 1. <u>Fiscal Year</u>	27
Section 2. <u>Books and Accounts</u>	28
Section 3. <u>Auditing</u>	28
Section 4. <u>Inspection of Books</u>	28
ARTICLE XVI	28
Amendments	28
Section 1. <u>Amendments</u>	28
ARTICLE XVII	29
Notice to Council	29
Section 1. <u>Ownership-Book (The Roster)</u>	29
Section 2. <u>Mortgages</u>	29
ARTICLE XVIII	29
Mortgagees	29
Section 1. <u>Change in Percentage Interest in Common Elements</u>	29
Section 2. <u>Right to Inspect Books</u>	29
Section 3. <u>Notice of Meetings</u>	29
Section 4. <u>Rental by Mortgagees</u>	29
Section 5. <u>Notice of Loss or Taking</u>	29
ARTICLE XIX	29
Compliance-Interpretation-Miscellaneous	29
Section 1. <u>Compliance</u>	29
Section 2. <u>Conflict</u>	30
Section 3. <u>Resident Agent</u>	30
Section 4. <u>Severability</u>	30
Section 5. <u>Waiver</u>	30
Section 6. <u>Captions and Table of Contents</u>	30
Section 7. <u>Gender, Etc</u>	30

AMENDED AND RESTATED
BY-LAWS
OF
ANNEN WOODS CONDOMINIUM NO. 2

ARTICLE I - Name, Location and Function

Section 1. Condominium Regime. The property and improvements erected thereon located in Pikesville, Maryland, were subjected to a Condominium Regime created by recording: (1) a Declaration for Annen Woods Condominium No. 2 (the "**Declaration**") in Liber 5904, Page 576 et seq. among the Land Records of Baltimore County, Maryland on June 16, 1978, (2) Bylaws recorded as aforesaid in Liber 5904, Page 587 et seq and Plats and as amended by the First Amendment Condominium Bylaws Annen Woods Condominium No. 2 dated January 19, 1979 recorded as aforesaid in Liber 5987, Page 690 et seq.

Section 2. Amended and Restated By-Laws. These Amended and Restated By-Laws are intended to and do specifically supersede the By-Laws of Annen Woods Condominium No. 2 recorded among the Land Records aforesaid. Wherever hereinafter in these Amended and Restated By-Laws the terms "the By-Laws", "these By-Laws" or the like are used, they shall mean and refer to these Amended and Restated By-Laws (the "**By-Laws**") and not to any prior recorded By-Laws.

Section 3. Name and Location. The name of the Condominium is **ANNEN WOODS CONDOMINIUM NO. 2**. The principal office and mailing address of the Council of Unit Owners is 199 Granary Drive, Baltimore, Maryland 21208. Pursuant to the provisions of Paragraph First of the Declaration, and in accordance with the provisions of Section 11-109 of the Real Property Article of the Annotated Code of Maryland, the affairs of the Condominium shall be governed and administered by the unincorporated Council of Unit Owners of Annen Woods Condominium No. 2.

ARTICLE II - Definitions

Section 1. Definitions. Unless it is plainly evident from the context that a different meaning is intended all other terms used herein shall have the same meaning as they are defined to have in the Declaration or in Sections 11-101, et seq., of the Real Property Article of the Annotated Code of Maryland as amended, the Maryland Condominium Act (hereinafter the "**Act**").

ARTICLE III - Ownership

Section 1. Owners. Every person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a Unit (as Unit is defined in the Declaration) within this Regime as the same is constituted from time to time, shall be a member of the Council of Unit Owners (hereinafter called the "**Council**"); provided, however, that any person, group of persons, general partnership, limited partnership, corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be deemed a Unit Owner. When the Owner of a Unit is a corporation or a Limited Liability Company ("**LLC**"), the directors of the corporation or the managing members of the LLC shall from time to time designate a representative to exercise its vote at meetings of the Council.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium Regime. The terms "**Condominium Regime**" or "**Regime**" as used herein shall include the land, as well as the improvements thereon. In construing these By-Laws, and the government of the Regime pursuant thereto, the provisions of the Corporations and Associations Article of the Annotated Code of Maryland, as amended, pertaining to the government of nonstock corporations, shall be considered as governing to the extent not inconsistent with the provisions of the Act, the Declaration and these By-Laws. This Council shall be unincorporated as permitted in the Act, but may become incorporated pursuant to the laws of the State of Maryland, upon a vote of seventy-five percent (75%) of the Unit Owners to amend these By-Laws to require such incorporation.

ARTICLE IV - Meeting of Council of Unit Owners

Section 1. Place of Meetings. Meetings of the Council shall be held at the principal office or place of business of the Regime or at such other suitable place convenient to the Council as may be designated by the Board of Directors (hereinafter defined as the "**Board**"). All meetings of the Council shall be open to all Unit Owners.

Section 2. Annual Meetings. Annual meetings of the Council shall be held at 7 p.m. on the third Tuesday in June in each year if not a legal holiday or such other date as may be determined by the Board. At such meeting there shall be elected by ballot of the Unit Owners, a Board in accordance with the requirements of Section 4 of Article V of these By-Laws. The Council may also transact such other business of the Regime as may properly come before it. All meetings of the Council shall be open except as limited or provided by the Act. The provisions of Section 11-109(c)(7)(ii and iii) of the Act providing time for Unit Owner comment are applicable to the Regime.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Council as directed by resolution of the Board of Directors or upon a petition signed by Unit Owners representing at least twenty-five percent (25%) of the total votes of the Regime having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary or his agent to deliver or mail (by first class) a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at his address as it appears on the Ownership Book (the Roster) of the Regime on the date of the Notice, or if no such address appears, at his last known address, not less than ten (10) nor more than ninety (90) days prior to such meeting unless the Act provides for a shorter time in which case, the Act will control. Service of the Notice may also be accomplished by the delivery of any such notice to the Unit Owner at his Condominium Unit or last known address. Notice by either such method shall be considered as notice served. Attendance by a Unit Owner at any meeting of the Council shall be a waiver of notice by him of the time, place and purpose thereof. The Act provides for notice of meetings by electronic transmission, the Council and the Board may authorize such notice to be given in accordance with the Act.

Section 5. Quorum. (a) A quorum is deemed present throughout any meeting of the Council if persons entitled to cast 25 percent of the total number of votes appurtenant to all units are present in person or by proxy.

(b) If the number of persons present in person or by proxy at a properly called meeting of the Council is insufficient to constitute a quorum, another meeting of the Council may be called for the same purpose if: (1) the notice of the meeting stated that the procedure authorized by this Section 5(b) might be invoked; and (2) by majority vote, the Unit Owners present in person or by proxy call for the additional meeting.

(c) (1) Fifteen days' notice of the time, place, and purpose of the additional meeting shall be delivered, mailed, or sent by electronic transmission, if those requirements have been adopted by the Board, to each Unit Owner at the address shown on the Ownership Book (Roster) maintained under Article XVII of these By-Laws;

(2) the notice shall contain the quorum and voting provisions below in Section 5(d).

(d) (1) At the additional meeting, the Unit Owners present in person or by proxy constitute a quorum; and (2) a majority of the Unit Owners present in person or by proxy:

(i) May approve or authorize the proposed action at the additional meeting; and

(ii) May take any other action that could have been taken at the original meeting if a sufficient number of Unit Owners had been present.

(e) This Article IV, Section 5 may not be construed to affect the percentage of votes required to amend the Declaration or Bylaws or to take any other action required to be taken by a specified percentage of votes.

Section 6. Voting. At every meeting of the Council, each of the Unit Owners shall have the right to cast the number of votes held by the Unit Owner under the provisions of the Declaration. If a Unit is owned by more than one (1) person, all owners must agree as they may cast only one (1) vote for each Unit owned. The votes established in Paragraph Fifth of the Declaration shall be applicable to voting rights. The majority vote of the Unit Owners present, in person or by proxy, and voting representing fifty-one percent (51%) of the votes at that meeting shall decide the question presented, unless the question is one upon which, by express provision of the Act, the Declaration or these By-Laws, a different vote is required, in which case such express provision shall govern and control. No Unit Owner shall be eligible to vote at any annual or special meeting of the Council, or be elected to an office or to the Board against whom the Council has recorded a Statement of Condominium Lien on his Unit and the amount necessary to release the lien has not been paid at the time of the meeting. The Act provides for voting or submission of proxies (see Section 7 below) by electronic transmission and the Council and the Board hereby authorize such voting and such proxies to be given in accordance with the Act. The Board may make Rules to implement such electronic voting.

Section 7. Proxies. A Unit Owner may appoint any other Unit Owner, Management Agent, Mortgagee, Attorney, Lessee or any other person, as his proxy. Subject to Section 6 above, any proxy must be in writing and filed with the Secretary, and is revocable at any time by the Unit Owner granting it. A proxy not appointed to vote as directed may only be appointed and used for purposes of meeting quorums and for voting on matters of business before the Council, and not for purposes of election of officers and members of the Board. Only proxies containing a designation of candidates, including write-in candidates, to be voted for may be used during an election of officers or members of the Board.

ARTICLE V - Directors

Section 1. Number and Qualification. The affairs of the Regime shall be governed by the Board composed of not less than three (3) persons, which number may be increased by the Council. A majority of the Directors shall be Unit Owners. Directors shall serve until their successors are duly qualified and elected.

Section 2. Powers and Duties. The Board is specifically delegated and shall have the powers and duties necessary for the administration of the affairs of the Regime and may do all such acts and things as are not, by law or by these By-Laws, directed to be exercised and done by the Council. The powers and duties of the Board shall include, but not be limited to, the following:

(a) To provide for the care and upkeep of the Regime and its General and Limited Common Elements, and services and maintenance of the Unit exteriors in a manner consistent with law and the provisions of these By-Laws and the Declaration;

(b) To grant easements as provided in Paragraph Fourth of the Declaration. Nothing in this Section shall enlarge the authority granted to the Board by the Act and all actions of the Board shall be in conformity with the Act and the Declaration;

(c) To grant temporary easements, rights of way, licenses, and leases less than one (1) year or similar interests;

(d) To establish and provide for the collection of assessments and fines, if levied, from the Unit Owners and for the assessment and/or enforcement of liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration;

(e) To designate, hire and/or dismiss personnel necessary for the good working order of the Regime and for the proper care of the General and Limited Common Elements and to provide services for the Regime in a manner consistent with all applicable State, and local law, the Declaration and these By-Laws; and

(f) To promulgate and enforce such Rules, and such restrictions or requirements, as may be deemed proper respecting the use, occupancy and maintenance of the Regime and the General and Limited Common Elements, as they are designated, to prevent unreasonable interference with the use and occupancy of the Regime and of the General and Limited Common Elements by the Unit Owners, all of which shall be consistent with all applicable State and local law, the Declaration and these By-Laws.

Section 3. Management Agent. The Board may employ for the Regime a professional Management Agent at a rate of compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not necessarily limited to, the duties set out in subsections (a) through (d) of Section 2 of this Article. Any professional management company so employed must have and maintain fidelity bond coverage in an amount determined by the Board.

Section 5. Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Council shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the Council at the next annual meeting.

6

Section 7. Compensation. No remuneration shall be paid to any Director who is also a Unit Owner for services performed by him for the Regime in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board before the services are undertaken. Reimbursable expenses are not deemed compensation.

Section 8. Regular Meetings. The Board shall give each Unit Owner notice of its meetings by posting in conspicuous places for all Unit Owners to see. All meetings of the Board shall be open except as provided in the Act. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail or telephone, at least three (3) days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each Director and Unit Owner, given personally or by mail or telephone, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors. Notice of Special Meeting shall be posted in a conspicuous place for all Unit Owners to see.

Section 10. Waiver of Notice. Before, or at, any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof.

Section 11. Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, following an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board may require that all officers and employees of the Council handling or responsible for Council or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Council except for the bond required under Section 3 of this Article, which may be paid by the Council.

Section 13. Nominations. At least sixty (60) days before each annual meeting of the Council, the President shall appoint a Nominating Committee of three (3) Unit Owners, at least one of whom shall not then be a Director. Such Nominating Committee, after considering the qualifications of respective nominees shall select one or more nominees for each directorship to be filled at such annual meeting, and shall present its nominations to the Secretary not later than fifteen (15) days before the notice of such annual meeting. Also, not less than forty-five (45) days prior to the delivery of the notice of meeting, a call for nominations shall be sent to all Unit Owners. Any Unit Owner may nominate a candidate for each directorship to be filled at any annual meeting by presenting such nomination to the Secretary in writing signed by such Unit Owner. By not later than fifteen (15) days before the notice of the date of such annual meeting, each Unit Owner and proxy holder shall be furnished a written list of all such nominees for directorships and shall be furnished with a ballot for the directorial election. A Unit Owner may nominate himself or any other Unit Owner to be a member of the Board. Only nominations made at least fifteen (15) days before the notice of an election shall be listed on the election ballot which shall contain blank lines for write-in candidates. Candidates shall be listed on the ballot in alphabetical order, with no indicated candidate preference. Nominations may be made from the floor of the meeting at which the election to the Board is held. Election materials prepared with funds of the Council of Unit Owners shall list the candidates in alphabetical order and may not indicate a candidate preference.

ARTICLE VI - Officers

Section 1. Designation. The principal officers of the Council shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board may elect officers who need not be Unit Owners except that the President must always be a Unit Owner. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of secretary and treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Council shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office until their successors are duly elected and installed.

Section 3. Removal of Officers. Upon an affirmative vote of a majority or the members of the Board any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Council and a member of the Board. He shall preside at all meetings of the Council and the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation including but not limited to the power to appoint committees from among the Unit Owners, or other persons whom he feels are qualified, from time to time, as he may in his discretion decide is appropriate, to assist in the conduct of the affairs of the Council.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon him by the Board.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board and the Council, he shall have charge of the "Ownership Book" (The Roster) and such other books and papers as the Board may direct; and he shall, in general, perform all the duties incidental to the office of Secretary including counting the votes at meetings of the Council. In the Secretary's absence, the President shall designate some other person to count such votes.

Section 7. Treasurer. The Treasurer shall have responsibility for Council funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Council. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Council in such depositories as may from time to time be designated by the Board. The Board may delegate any or all of these duties to a Management Agent or banking institution.

Section 8. Compensation. The Board shall have the power to fix the compensation for all officers of the Council who are not Unit Owners but shall have the power to fix the compensation for all officers of the Council who are Unit Owners only with the approval of the Council.

ARTICLE VII - Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Council shall indemnify every officer and director of the Council against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding, including the settlement of any such suit or proceeding if approved by the then Board to which he may be made a party by reason of

being or having been, an officer or director of the Council, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Council shall be liable to the Council and the Unit Owners for any gross negligence, including their own individual willful misconduct or bad faith, but shall not be liable for mistakes of judgment or otherwise if made in good faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Council, except to the extent that such officers or directors may also be Unit Owners, and the Council shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Council, or former officer or director of the Council, may be entitled.

Section 2. Common or Interested Directors.

(a) The Directors shall exercise their powers and duties in good faith and with a view to the interest of the Council.

(b) No contract or other transaction between the Council and one or more of its Directors, or between the Council and any corporation, firm or association in which one or more of the Directors are directors or officers, or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board, or any committee thereof, which authorizes or approves the contract or other transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(1) The fact of the common directorate, office or interest is disclosed or known to the Board, or a majority thereof, or noted in the Minutes, and the Board authorizes, approves or ratifies such contract or other transaction in good faith by a vote sufficient for the purpose; or

(2) The fact of the common directorate, office or interest is disclosed or known to the Unit Owners, or a majority thereof, and they approve or ratify the contract or other transaction in good faith by a vote sufficient for the purpose; or

(3) The contract or other transaction is commercially reasonable to the Council at the time it is authorized, ratified, approved or executed.

(c) Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board, or any committee thereof, which authorizes, approves or ratifies

any contract or other transaction, any may vote thereat to authorize any contract or other transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

ARTICLE VIII - Management

Section 1. Management and Common Expenses. The Board shall manage, operate and maintain the Regime and, for the benefit of the Units and the Unit Owners thereof, shall enforce the provisions hereof and may pay out of the Common Expenses, herein elsewhere provided for, the following, which itemization shall not act as a limitation on the Board:

(a) The cost of providing water, sanitary and storm sewer, garbage and trash collection, electrical (including street lighting), and other necessary utility services for the Common Elements and, to the extent that the same are not separately metered or billed to each Unit, for the Units.

(b) The cost of property, casualty and comprehensive general liability insurance on the Common Elements and the Units as originally constructed, and the cost of such other insurance as the Board or the Council may elect including directors and officers liability insurance.

(c) The cost of the services of a person or firm to manage the Regime to the extent deemed advisable by the Council, together with the services of such other personnel as the Board or the Council shall consider necessary for the operation of the Regime.

(d) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Regime.

(e) The cost of painting, maintaining, replacing, repairing and landscaping the General and Limited Common Elements, except as provided in the Declaration, including such furnishings and equipment for the General and Limited Common Elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Council to paint, repair, or otherwise maintain the interior of any Unit or any fixtures or equipment located therein except as provided in the Declaration.

(f) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Council is required to secure and to pay for by law or contract, or which in the discretion of the Board shall be

necessary or proper for the operation of the General and Limited Common Elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular Unit or Units as provided in Paragraph Seventh of the Declaration, the cost thereof shall be specially assessed to the Unit Owner or Owners thereof.

(g) Any amount necessary to discharge any lien or encumbrance levied against the Regime or any portion thereof, which may, in the opinion of the Board, constitute a lien against any of the General or Limited Common Elements rather than the interest of the Unit Owner of any individual Unit.

(h) The cost of any maintenance, repair or replacement required by the Declaration or contracted for between the Council, or its management agent, and individual Unit Owners having to do with an individual Unit which cost shall be a Common Expense only with respect to that Unit and that the cost thereof shall be assessed against the Unit on which such maintenance, repair or replacement is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the Owner of said Unit at which time the assessment shall become due and payable and a continuing lien and obligation of said Unit Owner in all respects as provided in Article IX of these By-Laws.

(i) The cost of the services of a person or firm to provide for necessary snow and ice clearing from the roads, driveways, walkways, curbing, and parking areas.

Section 2. Management Agent. The Board may employ a professional Management Agent at a rate of compensation established by the Board. The Board may delegate such of its duties, powers or functions to the Management Agent, as the Board shall authorize in writing.

Section 3. Duty to Maintain. Except for maintenance requirements herein imposed upon the Council, if any, the Owner of each Unit shall, at his own expense, maintain, repair and replace the interior of his Unit and any and all structures, improvements, equipment, appliances or fixtures situated within the Unit and its other appurtenances in good order, condition and repair, in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his Unit and such appurtenances. In addition to the foregoing, each Unit Owner shall, at his own expense, maintain, repair and replace those items referenced in Paragraph Seventh of the Declaration; and all Unit Owners shall, at their own expense, maintain, repair and replace any plumbing fixtures; heating and air conditioning equipment; lighting fixtures; refrigerators; freezers; dishwashers; washers and dryers; disposals; trash compactors; ranges and/or other equipment that may be in, or appurtenant to

such Unit. Any Unit Owner may contract separately for the performance of any maintenance, repair or replacement of any item listed in this Section which is his responsibility with the Management Agent and the cost of the same shall be assessed as provided in Section 1(f) of this Article.

Section 4. Right of Entry. As provided in Paragraph Seventh of the Declaration: (1) each Unit Owner shall and does hereby grant right of entry to any person authorized by the Board in case of any emergency originating in, or threatening his Unit, whether the Unit Owner is present at the time or not and also for the purpose of maintaining said Unit as provided in Paragraph Seventh of the Declaration; and (2) each Unit Owner shall and does hereby grant right of entry to any person authorized by the Board to provide extermination or other services or repairs necessary to maintain the Regime, including Units, in a clean and sanitary condition. Except in the event of emergency situations, the Board shall provide reasonable notice to Unit Owners prior to exercising such right of entry.

Section 5. Limitation of Liability. The Council shall not be liable for any failure of water supply or other utilities or services to be obtained by the Council. The Council shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the General or Limited Common Elements. No diminution or abatement of Common Expense Assessments as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the General or Limited Common Elements, separately contracted maintenance to a Unit, or from any action taken by the Council to comply with any law, ordinance, or with the order or directive of any municipal or other governmental authority.

ARTICLE IX - Condominium Assessments

Section 1. Annual Condominium Assessments.

(a) In accordance with Paragraph Eighth of the Declaration, each Unit Owner shall pay to the Council, monthly, in advance, a sum equal to one-twelfth (1/12) of the Unit Owner's proportionate share of the sum required by the Council pursuant to the Percentage Interests in Common Expenses and Common Profits as set forth in the Declaration (hereinafter called "**Assessments**"), to meet its annual budget, including, but in no way limited to, the following:

(1) The cost of all operating expenses of the Regime as the same may be constituted from time to time, and services furnished, including charges by the Council for facilities and services furnished by it;

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(2) The cost of necessary management and administration, including fees paid to any Management Agent;

(3) The amount of all taxes and assessments levied against the Council or upon any property which it is otherwise required to pay, if any;

(4) The cost of property, casualty and comprehensive general liability insurance on the Common Elements, and the cost of such other insurance as the Council or the Board may effect;

(5) The cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or utilities, to the extent furnished by the Council;

(6) The cost of funding all reserves established by the Council, including, when appropriate, a general operating reserve and/or reserve for replacements;

(7) The estimated cost of repairs, maintenance and replacements of the Regime including General and Limited Common Elements, to be made by the Council; and

(8) The cost of the services of a person or firm to provide for necessary snow and ice clearing from the roads, driveways, walkways, curbing, and parking areas.

(9) In addition, each Unit Owner shall pay to the Council, monthly, the amount of the required maintenance performed by the Council or separately contracted maintenance, if any, for which said Unit Owner is liable under Section 1(h) of Article VIII.

[Subsection (b) intentionally not included - has never existed]

(c) In addition, each Unit Owner shall pay to the Council, monthly, the amount of any fine levied against him pursuant to any Rules for fining promulgated by the Board in accordance with the procedures in these By-Laws.

(d) The Board shall determine the amount of the assessment annually by preparation and adoption of an annual proposed budget as provided in Section 11-109.2 of the Act. A copy of the proposed budget shall be delivered to each Unit Owner at least thirty (30) days prior to its adoption. The budget shall be amended only in accordance with the Section of the Act aforesaid.

(e) The omission of the Board, before the expiration of any budget period, to adopt a budget hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or the Act, or a release of assessment installment thereof, for that or any subsequent budget period, but the budget fixed for the preceding period shall continue until a new budget is fixed. No Unit Owner may exempt

(f) The enumeration of the rights of the Council and Board contained in this Article IX is made in furtherance, and not in limitation, of the rights and remedies conferred by law upon the Council, or the Board, to collect the Common Expenses or enforce any lien against any Unit, and is not intended, by mention of any particular right or remedy, to limit or restrict the Council, or the Board, which shall have all powers and rights necessary or convenient for collection of the common expenses.

Section 3. Reserve for Replacements. The Council shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated, from time to time, by the Board and which shall not be less than five percent (5%) of the aggregate monthly installments levied pursuant to the provisions of this Article. Such fund shall be conclusively deemed to be a Common Expense. Such funds shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board, be invested in the obligations of, or fully guaranteed as to principal, by, the United States of America, states, municipalities, or counties thereof. The reserve for replacements may be expended only for the purpose of effecting the replacement of the Common Elements and equipment of the Regime and for operating contingencies of a non-recurring nature. The proportionate interest of any Unit Owner in any reserve for replacements shall be considered an appurtenance of his Unit and shall not be separately withdrawn, assigned, transferred or otherwise separated from the Unit to which it appertains, and shall be deemed to be transferred with such Unit.

Section 4. Non-Payment of Assessment.

(a) A Unit Owner shall be liable in law and equity for all assessments, or installments thereof, late charges, and fines or other charges (including charges for an electronic payment fee) coming due while he is the owner of a Unit. In a voluntary grant the grantee shall be jointly and severally liable with the grantor for all unpaid assessments, fines or other charges against the grantor for his share of the Common Expenses up to the time of the voluntary grant for which a Statement of Condominium Lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments.

(b) All assessments, until paid, together with interest at eight percent (8%) per annum, actual costs of collection, other charges, reasonable attorneys' fees and late charges, at the maximum rate permitted in the Act, constitute a continuing lien on the Units on which they are assessed. All Statements of Condominium Lien shall be prepared and established pursuant to the Act and all other statutory requirements now or hereafter in effect pertaining to the establishment and enforcement of statements of lien for condominium assessments in the State of Maryland, including but not limited to the Maryland Contract Lien Act. The lien shall be effective against a Unit from and after the time a Statement of Condominium Lien is recorded among the Land Records of Baltimore County. The Statement of Condominium Lien shall be signed and verified by an officer or agent of the Council and then recorded. The Unit Owners hereby expressly agree that the Council shall be entitled to record a Statement of Condominium Lien after the expiration of any applicable time periods imposed by the Maryland Contract Lien Act. On full payment of the assessment or damages for which the lien is claimed the Unit Owner shall be entitled to a recordable satisfaction of the lien.

(c) Any assessment or installment thereof, or damages not paid when due shall bear interest, from the date when due until paid, at eight percent (8%) per annum. The Board may choose to file suit for such unpaid assessments or installments thereof, fines, late fees, interest, other charges, Court Costs and reasonable attorney's fee in addition to or in lieu of filing a Statement of Condominium Lien as provided herein and in the Act.

(d) The Council shall, upon demand, notify the holder of the mortgages on any Unit for which any assessment levied pursuant to these By-Laws becomes delinquent for a period in excess of thirty (30) days, and in any other case, where the Unit Owner is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days.

Section 5. Assessment Certificates. The Council shall, upon demand, furnish to any Unit Owner liable for any assessment or damages levied pursuant to the By-Laws (or to any other party legitimately interested in the same), a certificate in writing signed by an officer of the Council or its agent, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Twenty-Five Dollars (\$25.00) shall be levied in advance by the Council for each certificate so delivered.

Section 6. Acceleration of Installments. Upon default in the payment of any one or more installments of any assessment, levied pursuant to these By-Laws, the entire balance of said assessment may be accelerated at the option of the Board, and be declared due and payable in full.

Section 7. Enforcement. The lien for unpaid assessments, late charges, interest and attorney fees may be enforced and foreclosed by the Council or any other person specified in the By-Laws, in the same manner, and subject to the same requirements, as the foreclosure of mortgages or deeds of trusts on real property in the State of Maryland. Suit for any deficiency following foreclosure may be maintained in the same proceeding and suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing the same. No action may be brought to foreclose the lien unless brought within three (3) years following the recordation of the Statement of Condominium Lien.

Section 8. Subordination and Mortgagee Protection.

(a) Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any Unit in the Regime shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded mortgage, made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the Unit from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessment, which lien, if claimed, shall have the same effect, and be enforced in the same manner as provided herein.

(b) No amendment to these By-Laws shall affect the rights of the holder of any such mortgage, or the indebtedness secured thereby, recorded prior to recordation of such amendment, unless the holder thereof, or of the indebtedness secured thereby, shall join in the execution of such amendment.

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(c) The Board may, in its sole and absolute discretion, extend the provisions of this Section to the holders of a mortgage, or the indebtedness secured thereby, not otherwise entitled thereto.

Section 9. Definition. As used throughout these By-Laws the term "**Mortgage**" shall include deed of trust and the term "**Holder**" or "**Mortgagee**" shall include the party secured by any deed of trust, any beneficiary thereof and the Trustees named therein, their successors and assigns.

Section 10. Foreclosure of Assessment Lien. Foreclosure of the assessment lien shall not take place until after the mortgagee of that Unit is notified pursuant to Section 4(d) of this Article and the said mortgagee is given thirty (30) days to obtain compliance by the Unit Owner with the assessment requirements herein before stated.

ARTICLE X - Use Restrictions

Section 1. Use. (a) All Units shall be used for residential purposes exclusively except for such temporary non-residential uses as may be permitted from time to time by the Council and by State and Local Laws and except as provided in this Section.

(b) No Unit shall be leased for any period except that a Mortgagee shall have the right to lease its Unit in accordance with Article XVIII Section 4.

(c) Units shall not be used for "**family day care**" or "**no-impact home-based businesses**", however this prohibition may be eliminated and family day care homes may be approved by a simple majority of the total votes of the condominium.

Section 2. Prohibited Uses and Nuisances.

(a) No noxious or offensive activity shall be carried on within the Regime or within any Unit situate thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other Unit Owners. Residents shall be considerate of their neighbors in the use of musical instruments, radios, televisions, and amplifiers that may disturb other residents.

(b) There shall be no obstruction of any General Common Elements, except as herein provided. Nothing shall be stored upon any General Common Elements, except as herein provided, without the approval of the Board. Vehicular parking upon General Common Elements shall be regulated by the Board.

(c) Nothing shall be done or maintained in any Unit, or upon any General or Limited Common Elements, which will increase the rate of insurance on any Unit or General or Limited Common Elements, or result in the cancellation thereof. Nothing shall be done or maintained in any Unit or upon General or Limited Common Elements which would be in violation of any law. No waste shall be committed upon any General or Limited Common Elements.

(d) No structural alteration, construction, addition or removal of any Unit or General or Limited Common Elements shall be commenced or conducted except in strict accordance with the provisions of these By-Laws, State and Local Laws and as regulated by the Architectural Standards herein and as approved by the Board. Non-structural interior alterations to Unit are permitted without Board approval.

(e) The maintenance, keeping, boarding and/or raising of animals, fish and reptiles (except those commonly kept in small terrariums, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Unit, and upon any Common Element; except that this shall not prohibit the keeping of caged birds as domestic pets, provided that they are not kept, bred or maintained for commercial purposes, and provided further that their keeping will not constitute such type of noxious or offensive activity as described in Section 3(a) of this Article.

(f) Except for signs of a directional nature, no signs of any character, except as permitted by law (as such may be regulated by Section 11-111.2 of the Act), shall be erected, posted or displayed upon, in or from or about any Unit or the Common Elements without the express written consent of the Board.

(g) Except as herein elsewhere provided, no junk vehicle or other vehicle, on which current registration plates are not displayed; trailer; truck; camper; house trailer; recreational vehicle; or the like shall be kept upon any Common Elements, nor shall extensive repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon.

(h) No part of the Common Elements shall be used for commercial activities of any character.

(i) No burning of any trash, and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any Unit or upon any Common Elements. Trash and garbage containers shall not be permitted to remain in public view, except within locations designated by the Board.

(j) No hazardous or toxic substances or wastes or used motor oil, as defined now or in the future under Federal or State laws or regulations, shall be used or disposed of or used on any

Common Elements, or through any sanitary or storm sewerage system within the units or the Regime. Storage, use, disposal and transportation of hazardous or toxic substances or wastes to or from any Unit or the Common Elements shall comply with all applicable Federal or State laws and/or Regulations. If any Unit Owner violates this Section 3(i), such Unit Owner shall indemnify, defend and save harmless every other Unit Owner, the Council of Unit Owners, and the Board from any claim, charge, or cause of action by the Council or any other Unit Owner or any governmental authority for violation of any Federal, State or local laws or regulations relating to storage, use, disposal, and transportation of hazardous or toxic substances or wastes including, but not limited, to attorney's fees and costs to remove hazardous substances or wastes and any and all fines or penalties levied or imposed by any governmental authority.

(k) No structure of a temporary character, trailer, tent, shack, barn or other out-building shall be maintained upon any of the Common Element at any time except as permitted in writing by the Board. Outdoor clothes dryers or clothes lines shall not be maintained upon the Common Elements at any time.

(l) No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon the exterior of any Unit or upon any Common Elements without the prior written consent of the Board, except the master antenna system installed upon the roof of the buildings as a Common Element.

(m) No items or materials shall be hung on the exterior of the building including balcony railings or draped from windows over the exterior of the building.

(n) No window treatments shall be installed in any Unit which do not have a white backing.

(o) At least eighty percent (80%) of the floor area of each room in each Unit, excluding the kitchen, storage room, and tiled bathrooms, shall be covered with carpet or rugs. This provision is not applicable to Units on the first floor or ground level. As of the date of adoption of these Bylaws: (1) Units on floors 2 through 4 which now have carpeting cannot change to wood, tile, etc.; and (2) Units on floors 2 through 4 who now have solid wood, tile, or hard surface floors must conform to the 80% provision when flooring is replaced.

(p) Outdoor cooking is strictly prohibited on patios and balconies and the General Common Elements.

(q) There shall be no violation of any Rules, whether for the use of the Common Elements or for the governance of the Regime, which may from time to time be adopted by the Board and

(r) The Board shall have the power to levy fines against Unit Owners for violation of these By-Laws or the Rules promulgated by the Board hereunder. Said power to levy fines is specifically subject to Article XII hereof. The Board shall also have the right to enforce compliance by injunction or other legal means as the Board deems appropriate.

(t) In the event of breach of any of the provisions of the Condominium Declaration, these By-Laws or Rules adopted by the Board pursuant hereto by any Unit Owner or tenant, the Council, through its officers, managers or other agents, shall take such action as it shall deem appropriate, including legal action through court proceedings, to cure such breach and cause an abatement thereof. All costs of taking such action, including the time of employees of the Council in connection therewith, attorney fees and all other costs and expenses incurred in connection therewith, shall be a charge against the Unit Owner who, or whose tenant, causes such breach, payable to the Council if such breach is cured prior to adjudication or if such adjudication results in a judgement in favor of the Council.

Section 1. Architectural Standards Committee.

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hinge, screw, nail, build, alter, remove or construct any light, screens, awnings, patio covers, decorations, aerals, antennas, radio or television broadcasting or receiving devices (except as permitted by law), patios, balconies, platforms, porches, walls or to make any change or otherwise alter, including any alteration in color, in any manner whatsoever, to the exterior of any Unit, any window, or upon any of the General or Limited Common Elements within the property until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and/or other proposed form of change, including, without limitation, any other information specified by the Board (or its designated Committee), shall have been submitted to, and approved in writing by the Board, or by an **"Architectural Standards Committee"** designated by such Board. **This includes the replacement of any windows other than the repair-replacement of glass panes and/or screens.**

(b) In the event the Board, or its designated Committee, fails to approve, or disapprove, such design and location within sixty (60) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. If plans and specifications are not submitted, any and all alterations and/or changes shall be deemed violations of this Article.

(c) There will be no changes of any kind including furniture, fixtures, and decorations to the General Common Elements either inside or outside of the buildings without the written approval of the Board or Architectural Standards Committee and any future request for changes must take "uniformity" between the buildings into consideration **including the lobby area.**

ARTICLE XII - Hearing Procedures

Section 1. Statement of Purpose. It is the declared intention of the Council that Rules shall be adopted freely by the Board, and without the requirement of a vote of the Council as a requisite to their adoption. Each Rule adopted shall state that the Rule was adopted under the provisions of this Article and Section 11-111 of the Act. All Rules are intended to be adopted as supplements to, and not in lieu of, legally required provisions of these By-Laws. Should any adopted rules contradict any provisions of these By-Laws, as amended, said provisions of these By-Laws shall take precedence.

Section 2. Rules. All Rules proposed by the Board or by any committee appointed by the Board to act on its behalf shall be dated as of the date of the meeting at which they were considered, and shall be communicated to the Council in writing within seven (7) days after said meeting date, and shall be put forward before

the Council for consideration and review by the process of Hearing and Comment as specified in the Act.

Section 3. Rule Adoption - Hearing and Comment.

(a) Any notice of hearing so required shall include a copy of the proposed rule, its proposed effective date, the date, time, location, and agenda of the hearing, and shall be communicated by the Board to the Council by published form, or by any reasonable manner. The notice must be given to the Council at least fifteen (15) days prior to the meeting date.

(b) A quorum of the Board shall be in attendance at all public hearings; if a quorum is not present, a new hearing shall be scheduled within seven (7) days.

(c) A member of the Board shall preside over any hearings so convened and shall limit discussions within parameters of the published agenda. Any Unit Owner may appear and speak at these hearings, or by written statement.

(d) After comment is held on the proposed rule at the hearing, the Board shall vote on its passage. The rule will be adopted upon a majority vote of those members of the Board present and voting.

(e) The rule will be considered enacted unless, within fifteen (15) days after the Board vote, a petition calling for a special meeting is filed with the Board. The petition must be signed by at least fifteen percent (15%) of the Council of Unit Owners. Following the filing of a petition, the Board shall schedule a special meeting of the Council of Unit Owners, to be held within thirty (30) days after the Board's receipt of the petition. Written notice of the meeting must be given to each Unit Owner at least fifteen (15) days prior to the special meeting date.

(f) A quorum of the Council of Unit Owners must be in attendance at the special meeting. If a quorum is not present, the rule will be considered final. If a quorum is present, and fifty percent (50%) of the Unit Owners present and voting disapprove the rule, the rule will be considered void; provided those Unit Owners voting to disapprove number at least thirty-three percent (33%) of the total votes of the Council of Unit Owners.

Section 4. Right of Appeal.

(a) Each Unit Owner shall have a right to appeal to the Board for an individual exception to any rules or regulations adopted by the Board.

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(b) The appeal period shall begin on the effective date of the rules, and shall run for a period of fourteen (14) days.

(c) No appeals shall be considered, except by permission of the Board if filed after the expiration of the appeal period.

(d) All appeals shall be in writing, shall be signed and dated by the Unit Owner or Owners making such appeal, and shall be delivered to a member of the Board or the management agent by certified mail, postage prepaid. The Board shall consider all appeals and shall render a decision at its next regularly scheduled meeting. Said decision shall be in writing, and shall be addressed to the Unit Owner or Owners making the appeal. If the Board shall deny an appeal, there shall be no requirement of publication as to the denial.

(e) If the Board shall uphold an appeal, thus granting an individual exception to an adopted rule, the Board shall publish, or communicate in a reasonable manner, to the Council an explanation of the reasons for granting the exception.

Section 5. Effect of Rules. Any Rules, when adopted in accordance with the above procedures, shall have the same effect as if they were incorporated in these By-Laws by direct reference. Said Rules, upon proper adoption under the above procedures, shall be enforced in the same manner as all other provisions of the By-Laws.

ARTICLE XIII - Insurance

Section 1. Insurance.

(a) The Board acting on behalf of the Council shall obtain and maintain to the extent reasonably available the following insurance, as a Condominium Master Insurance Policy which shall be an item of Common Expense:

(1) Property insurance on the Common Elements and the structural portion of Units, exclusive of improvements and betterments installed in Units by Unit Owners, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance may not be less than the full replacement cost of all insurable improvements within the Condominium; the policy may, however, contain a "**Deductible**" provision provided the total insurance after application of deductibles will not be less than one hundred percent (100%) of the actual cash value of the insured property, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and

(2) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors but not less than One Million Dollars

(b) The Council shall give notice to all Unit Owners of the termination of any insurance policy within ten (10) days of termination. The Council in any event may carry any other insurance it deems appropriate to protect the Council of Unit Owners or the Unit Owners.

(1) Each Unit Owner is an insured person under the policy with respect to liability arising out of his/her ownership of an undivided interest in the Common Elements or membership in the Council;

(3) An act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Council of Unit Owners, does not void the policy and is not a condition to recovery under the policy; and

(d) (1) (i) The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

(2) If the cause of any damage to or the destruction of any portion of the condominium originates from the Common Elements, the Council's property insurance deductible is a common expense.

(ii) These Bylaws specifically provide that the owner of a Unit where the cause of the damage or destruction originated is responsible for the Council's property insurance

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deductible; however, the Unit Owners' responsibility may not exceed the amount provided by the Act, as amended from time to time.

(iii) The Council's property insurance deductible amount exceeding the responsibility of the Unit Owner as provided by the Act, as amended from time to time, is a common expense.

(4) In the same manner as provided under Section 11-110 of the Act, the Council may make an annual assessment against the Unit Owner responsible under subparagraph (3) of this Section herein.

(e) Any loss covered by the property policy under subsection (a)(1) shall be adjusted with the Council, but the insurance proceeds for that loss shall be payable to any insurance Trustee designated for the purpose, or otherwise to the Council, and not to any Mortgagee. The insurance Trustee or the Council shall hold any insurance proceeds in trust for Unit Owners and lien holders as their interest may appear. Subject to the provisions of Article XIV, Section 1, the proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements and Units, and Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored, or the Condominium is terminated.

(f) An insurance policy issued to the Council does not prevent a Unit Owner from obtaining insurance for his own benefit.

(g) An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the Council and, upon request, to any Unit Owner, Mortgagee, or beneficiary under a Deed of Trust. The insurance may not be canceled until thirty (30) days after the notice of the proposed cancellation has been mailed to the Council of Unit Owners, each Unit Owner and each Mortgagee to whom certificates of insurance have been issued.

(h) It is recommended by the Board that each Unit Owner should obtain his own insurance policy on his Unit in the HO-6 form with an "improvements and betterments", "alterations and additions" or similar endorsement.

ARTICLE XIV - Casualty Damages

Section 1. Use of Insurance Proceeds.

(a) Any portion of the Condominium Regime damaged or destroyed shall be repaired or replaced promptly by the Council unless:

- (1) The Condominium Regime is terminated;
- (2) Repair or replacement would be illegal under any State or local health or safety statute or ordinance; or
- (3) Eighty percent (80%) of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild.

(b) The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

(c) If the damaged or destroyed portion of Condominium Regime is not repaired or replaced:

(1) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium;

(2) The insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were assigned; and

(3) The remainder of the proceeds shall be distributed to all the Unit Owners in proportion to their Common Element interest.

(d) If the Unit Owners vote not to rebuild any Unit, that Unit's entire Common Element interest, votes in the Council of Unit Owners, and Common Expense liability are automatically reallocated upon the vote as if the Unit had been condemned and the provisions of the Declaration shall govern, and the Council promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, the Act governs the distribution of insurance proceeds if the Condominium is terminated.

ARTICLE XV - Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Council shall begin on the first day of January every year and end on the 31st day of December except that the first year of the Council shall begin on the date of the recording of the Declaration. The commencement date of the fiscal year herein established shall be subject to change by the Board in its discretion.

Section 2. Books and Accounts. Books and accounts of the Council shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed account, in chronological order, of the receipts and

expenditures affecting the Regime and its administration and shall specify the maintenance, repair and replacement expenses of the Common Elements and services and any other expenses incurred. That amount of any assessment required for payment on any capital expenditures of the Council shall be credited upon the books of the Council to the "**Paid-in-Surplus**" account as a capital contribution by the Unit Owners.

Section 3. Auditing. At the close of each fiscal year, the books and records of the Regime shall be audited and if such audit is by an independent Certified Public Accountant, his report shall be prepared, and may be certified, in accordance with generally accepted auditing standards. Based upon such audit or report, the Council shall furnish the Unit Owners with an annual financial statement, including the income and disbursements of the Council.

Section 4. Inspection of Books. The books and accounts of the Council and vouchers accrediting the entries made thereupon, shall be available for examination by the Unit Owners and/or their duly authorized agents, attorneys and mortgagees, during normal business hours, after reasonable notice of a request for inspection is given to the custodian of the records. The Act provides specific exclusions of records from examination by Unit Owners and/or their duly authorized agents, attorneys or mortgagees, and such exclusions are adopted herein as stated in the Act. A reasonable charge for any reviewing or copying of records may be imposed by the Council.

ARTICLE XVI - Amendments

Section 1. Amendments. These By-Laws may be amended by the affirmative vote of Unit Owners representing sixty-six and two-thirds percent (66-2/3%) of the total votes of the Regime at any meeting of the Council duly called for such purposes in accordance with the provisions of the Act. Amendments may be proposed by the Board or by a Petition signed by Unit Owners representing at least twenty percent (20%) of the total votes of the Regime. A description of the proposed amendment shall accompany the notice of the regular or special meeting at which such proposed amendment is to be voted upon, and said notice shall also be given to the holders of all first mortgages in the Regime. Any amendment adopted by the Council shall be effective only upon recordation among the Land Records of Baltimore County. The recorded amendment shall set out the Sections of these By-Laws being amended and the applicable provisions of the Act.

ARTICLE XVII - Notice to Council

Section 1. Ownership-Book (The Roster). The Secretary of the Council or the management agent, if so designated, shall maintain a current roster of names and addresses of each Unit Owner to which

notice of meetings of the Council shall be sent and each Unit Owner shall furnish the Council with this information. No Unit Owner may vote at meetings of the Council until this information and that required in Section 2 of this Article is furnished.

Section 2. Mortgages. A Unit Owner who mortgages his Unit shall notify the Secretary of the Council or its agents of the name and address of his mortgagee and the Council shall maintain such information in a book entitled "Mortgagees of Units".

ARTICLE XVIII - Mortgagees

Section 1. Change in Percentage Interest in Common Elements. Except as may be provided in the Declaration, the consent of all mortgagees, obtained in advance in writing, is mandatory if the Council should adopt any change in the pro-rata interest of the Unit Owners in the General Common Elements of the Regime.

Section 2. Right to Inspect Books. All mortgagees shall have the right to inspect the books of the Regime, obtain financial statements, and review budgets of the Regime.

Section 3. Notice of Meetings. All mortgagees, upon request, shall have the right to notification of and attendance at all general and special meetings of the Council and shall be permitted to express any views at such meetings as they may wish to convey to the Council.

Section 4. Rental by Mortgagee. All mortgagees shall have the right, notwithstanding any provision herein to the contrary, to rent any Units which such mortgagee or mortgagees may own through foreclosure or voluntary sale for no longer than twelve (12) months.

Section 5. Notice of Loss or Taking. The Board shall notify Mortgagees, in writing if any uninsured loss or taking of the Common Elements exceeds Ten Thousand Dollars (\$10,000.00).

ARTICLE XIX - Compliance-Interpretation-Miscellaneous

Section 1. Compliance. These By-Laws are set forth in compliance with the requirements of the Act and all applicable State and local laws and ordinances notwithstanding anything in these By-Laws to the contrary, whether expressed or implied.

Section 2. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the Act. In the event of any conflict between these By-Laws and the Declaration, the provision of the Declaration shall control; in the

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event of any conflict between the By-Laws and the applicable Sections of the Act, the provisions of the Act control.

Section 3. Resident Agent. Michael H. Mannes, P.A., 108 Water Street, Suite 200, Baltimore, Maryland 21202-1001, a resident of Maryland is designated as the person authorized to accept service of process in any action relating to the Regime or to the General or Limited Common Elements.

Section 4. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 5. Waiver. No restriction, condition, obligation or provisions of these By-Laws or the Rules adopted hereunder shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same and failure to enforce in one instance shall not be deemed a waiver to enforce in any other instance.

Section 6. Captions and Table of Contents. The captions and table of contents contained in these By-Laws are for convenience and ease of use only, and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 7. Gender, Etc. Whenever in these By-Laws the context so required, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders. Where a Unit Owner is referred to by gender, such reference shall also include entities such as corporations and limited liability companies who maybe or become Unit Owners.

CERTIFICATION

I, the undersigned RUTH GRANNAT, do hereby certify that I am the duly elected Secretary of ANNEN WOODS CONDOMINIUM NO. 2 and I am the officer specified in the By-Laws to count the votes at the meetings of the Council, a Maryland Condominium Regime, and that the foregoing constitute the Amended and Restated Bylaws of said Condominium Regime, as duly adopted by Unit Owners having the required percentage of the votes at the Special meeting of the Council called for that purpose on October 6, 2008.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 26th day of JANUARY, 2009.

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WITNESSES:

COUNCIL OF UNIT OWNERS OF
ANNEN WOODS CONDOMINIUM NO. 2

Seymour Baida
SEYMOUR BAIDA, President

Ruth Granat
RUTH GRANAT, Secretary

STATE OF MARYLAND)
) to wit:
COUNTY OF BALTIMORE)

I HEREBY CERTIFY that on the 24th day of January, 2001, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared Ruth Granat, who acknowledged himself/herself to be the Secretary of ANNEN WOODS CONDOMINIUM NO. 2 a Maryland Condominium Regime, and that he/she, as the Secretary, being authorized to do so, executed the Amended and Restated By-Laws for the purposes contained in that instrument, by signing the name of the condominium regime by himself/herself as Secretary.

IN WITNESS WHEREOF, I set my hand and official seal.

[NOTARY SEAL]

Notary Public

Printed Name of Notary Public

My Commission Expires: _____

This is to certify that the within instrument has been prepared by or under the supervision of the undersigned Maryland attorney.

Michael H. Mannes
Michael H. Mannes

0027752 039

1esoc\Annen Woods 2\amended & restated bylaws v4.wpd
180025

AMENDED AND RESTATED
BY-LAWS
OF
ANNEN WOODS CONDOMINIUM NO. 2

GLOSSARY

	<u>Page</u>
Act	1
alterations and additions	26
Architectural Standards Committee	22
Assessments	13
Board	2
By-Laws	1
Commercial Vehicle	21
Condominium Regime	2
Council	2
Declaration	1
Deductible	24
family day care	18
Holder	18
improvements and betterments	26
Mortgage	18
Mortgagee	18
Mortgagees of Units	29
Ownership Book"	9
Paid-in-Surplus	28
Regime	2

MAIL TO: Michael H. Mannes, Esq.
Michael H. Mannes, P.A.
108 Water Street Suite 200
Baltimore, MD 21202-1001

ORIGINAL

**AMENDMENT TO THE AMENDED AND RESTATED BY-LAWS
OF ANNEN WOODS CONDOMINIUM NO. 2**

IMP FD SURE	40.00
RECORDING FEE	20.00
TOTAL	60.00
Res# BA05	RCPT # 16753
JLE SF	81k # 1133
Nov 17, 2015	03:08 PM

THIS AMENDMENT TO THE AMENDED AND RESTATED BY-LAWS OF ANNEN WOODS CONDOMINIUM NO. 2 (hereinafter this "Amendment") is made this 30th day of September, 2015, by Annen Woods Condominium No. 2 (hereinafter the "Condominium").

WITNESSETH:

WHEREAS, the Condominium is duly created by virtue of the recordation of its Declaration (and any amendments thereto) and Amended and Restated By-Laws among the Land Records of Baltimore County, Maryland, at Liber 5804, Folio 576, *et seq.*; and,

WHEREAS, in consideration of feedback received from the Unit Owners about limiting and/or prohibiting smoking within and upon the Units and Common Elements, the Board of Directors has proposed that the Condominium's By-Laws be amended as set forth herein; and,

WHEREAS, Article XVI, Section 1 of the Condominium's Amended and Restated By-Laws, provides that the By-Laws may be amended by the affirmative vote of Unit Owners having at least sixty-six and two-thirds percent (66-2/3%) of the total votes in the Council of Unit Owners at a meeting of the Condominium called for that purpose; and,

WHEREAS, Article XVI, Section 1 of the Condominium's Amended and Restated By-Laws, also provides that notice of the Amendment shall be given to the holders of all first mortgages in the Regime; and,

WHEREAS, Article IV, Section 4 of the Condominium's Amended and Restated By-Laws provide that notice of any regular or special meeting shall be given to each Unit Owner at least ten (10) but not more than ninety (90) days in advance of the meeting upon which an amendment will be voted upon; and,

WHEREAS, written notice of this Amendment to the By-Laws was sent to each Unit Owner and to the holders of all first mortgages in accordance with the Maryland Condominium Act and the Condominium's By-Laws in accordance with the By-Laws; and,

WHEREAS, as certified herein by the Condominium's Secretary, this Amendment to the By-Laws of Annen Woods Condominium No. 2 was approved and adopted in accordance with the affirmative vote of Unit Owners having at least sixty-six and two-thirds percent (66-2/3%) of the total votes in the Condominium, and that said votes were cast, in person or by proxy, at a meeting of the Condominium called for the purpose of approving this Amendment, at which meeting a quorum of Unit Owners was present;

NOW THEREFORE, the By-Laws of Annen Woods Condominium No. 2 are hereby further amended as follows:

By adding a new Article X, Section 2(u), which shall read as follows:

(u) Smoking shall be prohibited within all Units in the Condominium, the Limited Common Elements appurtenant to said Units, and upon or within all General Common Elements.

(1) Notwithstanding the foregoing, this provision shall not apply to the Unit Owners who are listed on Exhibit A to this Amendment to the By-Laws which is attached hereto and incorporated herein by reference. Those Unit Owners are exempt from this amendment and may continue to smoke inside of their Unit, and the limited common elements appurtenant thereto, so long as they own the Unit. However, if title to said Unit transfers to another, the right to smoke shall become subject to the restrictions herein.

(2) Smoking shall include, but not be limited to, any practice by which a substance is burned and the resulting smoke is breathed in to be tasted or inhaled and/or subsequently exhaled.

(3) Smoking shall further include the carrying or use of cigarette, pipe, cigar, bidi, hookah, vaporizer, bong or any other device or instrument designed or intended to be used to burn, consume or transform any substance for the purpose of creating smoke that is breathed in to be tasted or inhaled and/or subsequently exhaled.

(4) The Board shall be and is hereby authorized to promulgate, adopt and enforce any rules and regulations deemed by the Board to be necessary to enforce this prohibition.

IN WITNESS WHEREOF, this 30th day of August, 2015, the Board of Directors of Annen Woods Condominium No. 2 executed the foregoing Amendment to the By-Laws of Annen Woods Condominium No. 2.

ANNEN WOODS CONDOMINIUM NO. 2

By: 

President

ATTEST:


Secretary

**CERTIFICATE OF THE SECRETARY
OF ANNEN WOODS CONDOMINIUM NO. 2**

I hereby certify that, on the 30th day of September, 2015, that I was the Secretary of Annen Woods Condominium No. 2; that I was present at the annual or special meeting of the Condominium at which the foregoing Amendment to the By-Laws of Annen Woods Condominium No. 2 was duly approved; that I was the person authorized pursuant to the Condominium's By-Laws to count the votes at said meeting; that the foregoing Amendment to the By-Laws of Annen Woods Condominium No. 2 was approved pursuant to the affirmative vote of Unit Owners having the requisite percentage of votes required by the By-Laws to adopt amendments thereto; that the required written notice of the same was given to all Unit Owners in the manner prescribed by the By-Laws and applicable law; and, that, accordingly, the aforesaid Amendment to the By-Laws of Annen Woods Condominium No. 2 shall be and is hereby effective.

By: James J. Yousem, Secretary

ATTEST:

HARVEY A. Hohn President

STATE OF MARYLAND)
COUNTY OF BALTIMORE)

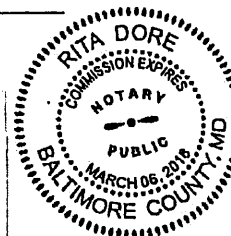
ss:

I, Rita Dore, a Notary Public in and for the State of Maryland, do hereby certify that James Yousem being known (or satisfactorily proven) to me to be the person named herein as the Secretary of Annen Woods Condominium No. 2, did personally appear before me in the above-referenced jurisdiction, and as Secretary, and by virtue of the authority vested in him/her, did acknowledge before me the foregoing Certificate to be his/her Act and Deed as Secretary of Annen Woods Condominium No. 2.

GIVEN under my and seal this 30th day of September, 2015.

Rita Dore
Notary Public

My Commission expires: 3-6-2018



STATE OF MARYLAND)

COUNTY OF BALTIMORE)

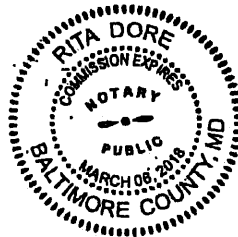
ss:

I, Rita Dore, a Notary Public in and for the State of Maryland, do hereby certify that HARVEY A. HARRIS being known (or satisfactorily proven) to me to be the person named herein as the President of Annen Woods Condominium No. 2, did personally appear before me in the above-referenced jurisdiction, and as President, and by virtue of the authority vested in him/her, did acknowledge before me the foregoing Amendment to the By-Laws of Annen Woods Condominium No. 2 to be the Act and Deed of Annen Woods Condominium No. 2.

GIVEN under my and seal this 30 day of September 2015.

Rita Dore
Notary Public

My Commission expires: 3-6-2018



SMOKING EXEMPTION LIST

Two Candlemaker Court

2-303 Martha Pritzker, Trustee

Four Candlemaker Court

4-101 Naomi Taffett

4-106 Barbara Kernan

4-206 Upshire Circle Acquisitions, LLC

4-304 Bernice Offit Berger

Council of Unit Owners of Annen Woods Condominium No. 2

Design Documents



Annen Woods Condominium No. 2

Architectural Guidelines for Screening Patios and/or Balconies

May 18, 2021 Version 1.02

Requesting Approval to Install a Patio or Balcony Screen

Prior to making any exterior structural changes upon any of the General or Limited Common Elements within the property, an application for approval must be submitted to and approved in writing by the Board of Directors (the "Board") or by an Architectural Standards Committee designated by such Board.

If a contractor is being used, the contractor's information and Maryland Home Improvement Commission (MHIC) number must be included on the application.

No work can be conducted until written approval has been received. All applications should be sent directly to the Management Company to be forwarded to the Board or to the Architectural Standards Committee for review.

Permitted Balcony/Patio Screening System

The Board has approved the following screening system (the "Screen") for those Unit Owners that wish to screen in their balcony or patio. No other Screen will be considered or permitted.

All *italicized* words below refer to the manufacturer's specific designations.

Manufacturer: Genius Screens

Product Name: *Olympic Pull-Down Retractable Screen*

Model Number: *GG6701*

Color: *Brownstone* (dark brown)

Screening Type: *Charcoal Insect Screen*, vinyl

Operation: *Manual* with pull chain, side mounted

Installation Type: *Recessed*

Screen Overview

The Screen is a roll-up model that is lowered from or retracted into an overhead assembly manually. The overhead assembly attaches to the underside of the balcony above and requires a single vertical guiderail on each side. *The Screen is not attached to any of the exterior balcony railing systems.* It is manufactured by Genius Screens (<https://www.geniusscreens.com>) and is available through several Maryland distributors who also offer installation services.

Installation Requirements

Installations must be in accordance with the patio enclosure instructions which are available on the Genius Screens website at: <https://www.geniusscreens.com/docs/librariesprovider3/Installation-Instructions/olympic-installation-instructions.pdf>

<https://www.geniusscreens.com/docs/librariesprovider3/Installation-Instructions/olympic-installation-instructions.pdf>

Attachment of Screen System to Masonry Surfaces

All attachments to masonry surfaces will use Tapcon Blue Climaseal screws, 1-1/4" in length (<https://tapcon.com>). The screws are threaded directly into 3/16" pre-drilled holes in the masonry *and require no additional inserts into the masonry*.

a. Overhead Roll-Up Attachment

The roll-up assembly attaches to the underside of the overhead balcony using clips provided by the manufacturer. The clips are installed at intervals along the roll-up device as recommended by the manufacturer. The required location of the roll-up device is noted in Figure 1 below and is applicable to both patios and balconies.

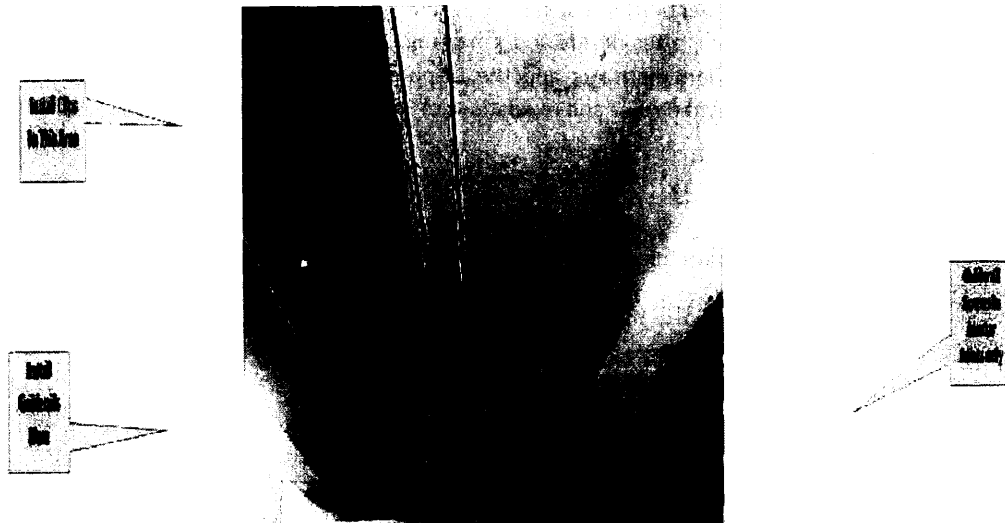


Figure 1 Overhead View

b. Side Guiderail Attachment

Manufacturer-provided guiderails are required on each side of the Screen. The guiderails are attached using Tapcon screws of the same size as noted above with four screws on each side. The pre-drilled holes shall be placed **ONLY** in the mortar joints between the brick courses and **NOT** into any of the brick surfaces.

Unit Owner's Responsibilities

All Screens are subject to damage due to high winds, storms, and inclement weather. The manufacturer recommends that the Screen be retracted when (a) severe weather is anticipated and/or (b) during prolonged periods of non-use such as vacations and winter months.

- a. The Unit Owner will be responsible for maintaining both the structural integrity and appearance of the Screen when it is in the lowered position.
- b. Should the Screen be penetrated during severe weather or accidentally by the Unit Owner, the entire Screen must be replaced. Replacement screening is available from the manufacturer.
- c. Should the Unit Owner fail to maintain the Screen in its lowered position as noted above, the Board may direct the Unit Owner, in writing, to remove the screen or retract the Screen until repairs can be made. Should the Unit Owner fail to respond to such written direction within 30 days of such notice, the Board may direct removal of the Screen by its designated employees or contractors at the Unit Owner's cost which cost shall be a lien against the Unit in accordance with Article Seventh, Paragraph 1 of the Declaration.
- d. In addition to the above, the Board may also proceed with further legal action to compel compliance with these Architectural Guidelines for Screening Patios and/or Balconies including, without limitation, by filing a lawsuit against the Unit Owner in accordance with Article X, Section 2(t) of the Amended and Restated By-Laws and/or by imposing reasonable fines, after notice and a hearing, in accordance with Section 11-113 of the Maryland Condominium Act and the Dispute Settlement Mechanism adopted by the Board as part of the rules and regulations of the Condominium.

IN WITNESS WHEREOF, these Architectural Guidelines for Screening Patios and/or Balconies for Annen Woods Condominium No. 2, is hereby approved and adopted by at least a majority of the members of the Board of Directors at a duly held meeting of the Board on this 3 day of JUNE, 2021.

BOARD OF DIRECTORS:
Annen Woods Condominium No. 2

6/4/2021
Date

By: Phyllis H. Bloom (SEAL)
Name:
Title: President

ATTEST:

6/4/2021
Date

By: [Signature] (SEAL)
Name:
Title: Secretary

SECRETARY CERTIFICATION

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of Annen Woods Condominium No. 2, at a meeting held on the 3 day of JUNE, 2021, and, thereafter, that I caused these Architectural Guidelines for Screening of Patios and/or Balconies to be sent to the Unit Owners of Annen Woods Condominium No. 2, in accordance with the notice requirements set forth in the governing documents of the Condominium or as adopted by the Board of Directors, and in accordance with Section 11-111 of the Maryland Condominium Act.

6/4/2021
Date

By: [Signature]
Name:
Title: Secretary

ATTEST:

6/4/2021
Date

By: [Signature]
Name:
Title: President

Council of Unit Owners of Annen Woods Condominium No. 2

Emergency Contact Information Form



ANNEN WOODS CONDOMINIUM NO. 2
EMERGENCY CONTACT INFORMATION

Name: _____
Unit Address: _____
Mailing Address (if different from Unit Address): _____
City: _____ State: _____ Zip: _____
Home Phone: _____ Cell Phone: _____
Work Phone: _____ Email: _____

List all occupants living in unit:

Adults: _____
Children: _____

Emergency Contact: (PERSON WHO HAS A KEY TO THE UNIT)

1 ST Name: _____
Address: _____
Home Phone: _____ Cell Phone: _____
Work Phone: _____ Email: _____

2 ND Name: _____
Address: _____
Home Phone: _____ Cell Phone: _____
Work Phone: _____ Email: _____

PLEASE RETURN TO: Annen Woods Condominium No. 2
c/o WPM Real Estate Management
11433 Cronridge Drive, Owings Mills, MD 21117
Office (443) 796-7400 Fax (443) 796-7188
Email: annenwoods2@wpmlc.com
www.wpmlc.com www.wpmassociations.com

Council of Unit Owners of Annen Woods Condominium No. 2

Insurance Declaration Pages





ANNEWOO-02

VBOSTON

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/3/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Schoenfeld Insurance Associates, Inc. 6225 Smith Ave Suite B-150 Baltimore, MD 21209	CONTACT NAME:	
	PHONE (A/C, No, Ext): (410) 602-2000	FAX (A/C, No): (410) 602-1160
	E-MAIL ADDRESS: condo@schoenfeldins.com	
INSURED Annen Woods Condominiums No. 2 c/o WPM Real Estate Group 11433 Cronridge Drive Owings Mills, MD 21117	INSURER(S) AFFORDING COVERAGE	
	INSURER A: GREATER NEW YORK MUTUAL INS CO	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	
	NAIC # 22187	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			1119M39406	11/6/2021	11/6/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPI/OP AGG \$ Included
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			3019U96999	11/6/2021	11/6/2022	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Property Section			1119M39406	11/6/2021	11/6/2022	Blanket Building 12,877,202
A	Extended Repl. Cost			1119M39406	11/6/2021	11/6/2022	Deductible 5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

WP&M Real Estate Group is included as an Employee with respects to Fidelity Bond at Full Limit

WP&M Real Estate Group is included as an additional insured as per form BP 00 03 07 02 included in policy #BOP5001933

CERTIFICATE HOLDER

CANCELLATION

WP&M Real Estate Group 11433 Cronridge Drive Owings Mills, MD 21117	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>B. Morrison</i>



AGENCY CUSTOMER ID: ANNEWOO-02

VBOSTON

LOC #: 1

ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

AGENCY Schoenfeld Insurance Associates, Inc.		NAMED INSURED Annen Woods Condominiums No. 2 c/o WPM Real Estate Group 11433 Cronridge Drive Owings Mills,, MD 21117	
POLICY NUMBER SEE PAGE 1			
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

Certificate of Liability Remarks**Additional Insurance:**

Directors and Officers Liability (\$1,000,000 Limit) Policy# EPPE296154-03 Eff. 11/6/21-11/6/22 Issued by Great American Insurance

Fidelity Bond (\$450,000 Limit) Policy# 30BDDHS5869 Eff. 10/1/20-10/1/23 Issued by The Hartford Insurance

Additional Coverage Notes:

The Master Policy for Annen Woods Condominium No. 2 is written in accordance with the Maryland Condominium Act, Section 11-114, to include revisions implemented in October 2009, updated/posted in January 2011. Property Section/Replacement Cost of the Master Policy is written on an All Risk/SPECIAL Form basis, excluding ANY Betterments & Improvements installed by Unit owner's, other than the Developer. Homeowners are recommended to purchase a Homeowners Policy designed for Condominium Owners, commonly known as a HO6 Policy.

Fidelity Bond is included, as per the Maryland Condominium Act, Section 11-114, to include the Management Company as an Employee at Full Limit scheduled on the Fidelity Bond Policy.

48 Residential Units

Wind/Hail Coverage - Included (no separate deductible)

Equipment Breakdown Coverage - Included for Common Areas and Association Responsibility (please refer to Association By Laws)

Ordinance Coverage - Included

Council of Unit Owners of Annen Woods Condominium No. 2

Insurance Policy





This policy is issued by the following GNY Company:

The **GREATER NEW YORK MUTUAL
INSURANCE COMPANY**

NOTICE OF ANNUAL MEETING

By the virtue of this Policy, the insured is a member of Greater New York Mutual Insurance Company, and is entitled to vote, in person or by proxy, at any meetings of the Company.

The Annual Meeting of members is held at the Home Office of the Company on the second Tuesday in March, at 2:30 P.M., Eastern Standard Time.

This policy jacket with the policy forms, declarations page and endorsements, if any, issued to form a part thereof, completes the policy.

COMMON POLICY DECLARATIONS

THIS POLICY IS ISSUED BY THE
GREATER NEW YORK MUTUAL INSURANCE COMPANY
HOME OFFICE
200 MADISON AVENUE NEW YORK, NY 10016
A MUTUAL COMPANY

POLICY TERM **1** Year

ACCOUNT NUMBER **19M3940621**

POLICY NUMBER **1119M39406**

ENDORSEMENT NUMBER

NAMED INSURED AND MAILING ADDRESS
ANNEN WOODS CONDOMINIUMS #2, INC
C/O WPM REAL ESTATE GROUP LLC
11433 CRONRIDGE DR
OWINGS MILLS MD 21117-2294

PRODUCER **0020028**
SCHOENFELD INSURANCE AGENCY
6225 SMITH AVENUE
BALTIMORE MD 21209

POLICY PERIOD: FROM **11-06-2021** TO: **11-06-2022** AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN.

ENDORSEMENT DATE:

BUSINESS DESCRIPTION: **CORPORATION**

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS:

		<u>PREMIUM</u>
COMMERCIAL PROPERTY COVERAGE PART	\$	12,743.00
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$	1,417.00

TOTAL \$ **14,160.00**

FORMS APPLICABLE TO ALL COVERAGE PARTS:

SEE SCHEDULE OF FORMS AND ENDORSEMENTS

TOTAL PREMIUM \$ **14,160.00**

THE POLICY MAY BE SUBJECT TO ADJUSTMENT.

COUNTERSIGNED

DATE

BY

AUTHORIZED REPRESENTATIVE

DESIGNATION OF PREMISES SCHEDULE
 COMMERCIAL LINES POLICY
 THIS POLICY IS ISSUED BY THE
 GREATER NEW YORK MUTUAL INSURANCE COMPANY

NAMED INSURED ANNEN WOODS CONDOMINIUMS #2, INC		EFFECTIVE DATE 11-06-21	POLICY NUMBER 1119M39406 ENDORSEMENT NUMBER
LOC. NO.	BLDG. NO.	DESIGNATED PREMISES (ADDRESS, CITY, STATE)	OCCUPANCY
001	001	2 CANDLEMAKER CT, PIKESVILLE, MD 21208-6388 APPLIES TO: GENERAL LIABILITY, PROPERTY NUMBER OF STORIES: 004	CONDOMINIUM CONDOMINIUM
001	002	4 CANDLEMAKER CT, PIKESVILLE, MD 21208-6387 APPLIES TO: PROPERTY NUMBER OF STORIES: 004	CONDOMINIUM CONDOMINIUM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF FORMS AND ENDORSEMENTS

THIS POLICY IS ISSUED BY THE
GREATER NEW YORK MUTUAL INSURANCE COMPANY

NAMED INSURED ANNEN WOODS CONDOMINIUMS #2, INC		POLICY NUMBER 1119M39406
		ENDORSEMENT NUMBER
		COUNTERSIGNED BY: _____
		AUTHORIZED REPRESENTATIVE
SCHEDULE OF FORMS & ENDORSEMENTS EFFECTIVE DATE: 11-06-21		POLICY PERIOD: FROM: 11-06-2021 TO: 11-06-2022
COMMON POLICY FORMS AND ENDORSEMENTS		
GNY PJ	01-17	POLICY JACKET
GNY 001	09-91	COMMON POLICY DECLARATIONS
GNY 002	06-91	DESIGNATION OF PREMISES SCHEDULE
GNY 003A	07-09	SCHEDULE OF FORMS AND ENDORSEMENTS
IL 00 03	09-08	CALCULATION OF PREMIUM
IL 00 17	11-98	COMMON POLICY CONDITIONS
IL 00 21	09-08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
IL 02 07	12-17	MARYLAND CHANGES
IL 09 35	07-02	EXCL OF CERTAIN COMPUTER- RELATED LOSSES
IL 09 52	01-15	CAP/LOSSES FROM CERTIFIED ACTS OF TERROR
IL 09 85	12-20	DISCLOSURE PURSUANT/TERROR RISK INS ACT
PROPERTY FORMS AND ENDORSEMENTS		
CP CYBEX	07-20	CYBER INCIDENT EXCLUSION
GNY 004	09-91	COMMERCIAL PROPERTY COVERAGE PART
GNY 005	06-91	COMMERCIAL PROPERTY COVERAGE PART
GNYCP 03	01-18	EQUIPMENT BREAKDOWN ENHANCEMENT ENDT
LIMDED	03-16	AMENDMENT OF LIMITS AND DEDUCTIBLES
XREPCST	03-05	EXTENDED REPLACEMENT COST ENDORSEMENT
CP 00 30	10-12	BUSINESS INCOME COVERAGE (&/EX EXP)
PROCHA	12-18	PROTECTO-GUARD CHANGES ENDORSEMENT
PROG H	12-18	PROTECTO-GUARD ENHANCED ENDT FOR HABITAT
CP 00 17	10-12	CONDOMINIUM ASSOCIATION COVERAGE FORM
CP 00 90	07-88	COMMERCIAL PROPERTY CONDITIONS
CP 01 40	07-06	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
CP 10 30	09-17	CAUSES OF LOSS - SPECIAL FORM
CP 17 03	10-09	MD CHNGS-CONDO ADDITIONAL PROVISIONS
GENERAL LIABILITY FORMS AND ENDORSEMENTS		
GNY 020	11-04	GENERAL LIABILITY DECLARATIONS
GNY 021	06-91	GENERAL LIABILITY SCHEDULE
CG 21 32	05-09	COMMUNICABLE DISEASE EXCLUSION
CG 00 01	04-13	COMMERCIAL GENERAL LIABILITY COV FORM
CG 02 01	12-17	MARYLAND CHANGES
CG 21 16	04-13	EXCL-DESIGNATED PROFESSIONAL SERVICES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF FORMS AND ENDORSEMENTS

THIS POLICY IS ISSUED BY THE
GREATER NEW YORK MUTUAL INSURANCE COMPANY

NAMED INSURED ANNEN WOODS CONDOMINIUMS #2, INC		POLICY NUMBER 1119M39406
		ENDORSEMENT NUMBER
		COUNTERSIGNED BY: _____
		AUTHORIZED REPRESENTATIVE
SCHEDULE OF FORMS & ENDORSEMENTS EFFECTIVE DATE: 11-06-21		POLICY PERIOD: FROM: 11-06-2021 TO: 11-06-2022
CG 21 65	12-04	TOTAL POLLUTION EXCL-WITH EXCEPTIONS
CG 26 73	12-04	MARYLAND CHANGES-PREMIUM AUDIT CONDITION
CG 81 02	02-05	BASIC CONSTRUCTION EXCLUSION
CGU-001	02-05	HIRED AUTO AND NON-OWNED AUTO LIABILITY
PROG H GL	10-20	PROTECTO-GUARD ENH GL COV ENDT FOR HAB
XPUNDAM	06-13	EXCLUSION FOR PUNITIVE DAMAGES AND SIMIL
CG 21 47	12-07	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG 21 67	12-04	FUNGI OR BACTERIA EXCLUSION
GLU-113	02-05	ASBESTOS HAZARD EXCLUSION ENDT
CG 21 70	01-15	CAP LOSSES FROM CERTIF ACTS OF TERRORISM
CG 01 41	03-11	MARYLAND - CONDOMINIUMS
CG 21 07	05-14	EXCL-ACC/DISCL OF CONFI OR PERSONAL INFO
CG 21 09	06-15	EXCLUSION - UNMANNED AIRCRAFT
CG 21 54	12-19	EXCL-DESIG OPS COVRD BY WRAP-UP INS PROG
CG 25 04	05-09	DESIGNATED LOCATIONS GENERAL AGGREGATE
CG 40 10	12-19	EXCLUSION - CROSS SUITS LIABILITY
POLICYHOLDER JACKETS		
GNV PJ	01-17	POLICY JACKET

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMON POLICY DECLARATIONS (Continued)

THIS POLICY IS ISSUED BY THE
GREATER NEW YORK MUTUAL INSURANCE COMPANY

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COMMON POLICY DECLARATIONS (Continued) EFFECTIVE DATE: 11/06/2021		POLICY PERIOD: FROM: 11-06-2021 TO: 11-06-2022																										
THIS ENDORSEMENT IS USED AS AN OVERFLOW FOR FIELDS ON THE DECLARATIONS PAGE NOT LARGE ENOUGH FOR THE NECESSARY INFORMATION AND TO LIST OPTIONAL COVERAGES.																												
IT IS HEREBY AGREED AND UNDERSTOOD THAT THIS POLICY IS PAYABLE ON INSTALLMENTS AS FOLLOWS:																												
<table><thead><tr><th>DUE</th><th>PREVIOUS TOTAL</th><th>PREMIUM</th><th>SURCHARGE</th><th>GRAND TOTAL</th></tr></thead><tbody><tr><td>DEPOSIT 11/06/2021</td><td></td><td>4,389.00</td><td></td><td>4,389.00</td></tr><tr><td>INSTALL 02/06/2022</td><td></td><td>3,257.00</td><td></td><td>3,257.00</td></tr><tr><td>INSTALL 05/06/2022</td><td></td><td>3,257.00</td><td></td><td>3,257.00</td></tr><tr><td>INSTALL 08/06/2022</td><td></td><td>3,257.00</td><td></td><td>3,257.00</td></tr></tbody></table>				DUE	PREVIOUS TOTAL	PREMIUM	SURCHARGE	GRAND TOTAL	DEPOSIT 11/06/2021		4,389.00		4,389.00	INSTALL 02/06/2022		3,257.00		3,257.00	INSTALL 05/06/2022		3,257.00		3,257.00	INSTALL 08/06/2022		3,257.00		3,257.00
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INSTALL 08/06/2022		3,257.00		3,257.00																								
THERE IS A \$6 SERVICE FEE FOR EACH PREMIUM INSTALLMENT. THIS FEE IS NOT INCLUDED IN THE PREMIUMS SHOWN ABOVE.																												

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARYLAND CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Cancellation** Common Policy Condition is amended as follows:
1. Paragraphs **2.** and **3.** are replaced by the following:
 - a.** When this Policy has been in effect for 45 days or less and is not a renewal policy, we may cancel this Policy by mailing to the first Named Insured at the last mailing address known to us written notice of cancellation, stating the reason for cancellation, at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - (2) 15 days before the effective date of cancellation if we cancel because the risk does not meet our underwriting standards.
 - b.** When this Policy has been in effect for more than 45 days or is a renewal policy, we may cancel this Policy by mailing to the first Named Insured at the last mailing address known to us written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - (2) 45 days before the effective date of cancellation if we cancel for a permissible reason other than nonpayment of premium, stating the reason for cancellation. Under this Paragraph **(2)**, we may cancel only for one or more of the following reasons:
 - (a) When there exists material misrepresentation or fraud in connection with the application, policy, or presentation of a claim.
 - (b) A change in the condition of the risk that results in an increase in the hazard insured against.
 - (c) A matter or issue related to the risk that constitutes a threat to public safety.

If we cancel pursuant to Paragraph **b.(2)**, you may request additional information on the reason for cancellation within 30 days from the date of our notice.
 2. Paragraph **5.** is replaced by the following:

If this Policy is cancelled, we will send the first Named Insured any premium refund due.

 - a.** The refund will be pro rata if:
 - (1) We cancel; or
 - (2) The Policy is not a renewal policy, and the first Named Insured cancels upon receiving written notice that we recalculated the premium based on the discovery of a material risk factor during the first 45 days the Policy has been in effect.

- b. If the first Named Insured cancels, other than the cancellation described in Paragraph a.(2), the refund will be calculated as follows:

(1) Policies Written For One Year Or Less

We will refund 90% of the pro rata unearned premium.

(2) Policies Written For More Than One Year

- (a) If the Policy is cancelled in the first year, we will refund 90% of the pro rata unearned premium for the first year, plus the full annual premium for subsequent years.
- (b) If the Policy is cancelled after the first year, we will refund the pro rata unearned premium.

(3) Continuous And Annual Premium Payment Policies

We will refund 90% of the pro rata unearned premium for the year in which the Policy is cancelled.

We will retain the minimum premium, except if the Policy is cancelled as of the inception date.

However, if this Policy is financed by a premium finance company and we or the premium finance company or the first Named Insured cancels the Policy, the refund will consist of the gross unearned premium computed pro rata, excluding any expense constant, administrative fee or nonrefundable charge filed with and approved by the insurance commissioner.

The cancellation will be effective even if we have not made or offered a refund.

- C. Paragraph 6. of the **Cancellation** Common Policy Condition is replaced by the following, except as provided in Paragraph D. of this endorsement.

We will send notice of cancellation to the first Named Insured by a "first-class mail tracking method" if:

- a. We cancel for nonpayment of premium; or
- b. This Policy is not a renewal of a policy we issued and has been in effect for 45 days or less.

We will send notice to the first Named Insured by a "first-class mail tracking method" or by commercial mail delivery service if we cancel for a reason other than nonpayment of premium and this Policy:

- a. Is a renewal of a policy we issued; or
- b. Has been in effect for more than 45 days.

We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.

- D. With respect to the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, Paragraph 6. of the **Cancellation** Common Policy Condition is replaced by the following:

We will send notice to the first Named Insured by a "first-class mail tracking method" if we cancel the Policy. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service. Proof of mailing will be sufficient proof of notice.

- E. The following condition is added, except as provided in Paragraph F. of this endorsement.

Nonrenewal

1. We may elect not to renew this Policy by mailing notice of nonrenewal to the first Named Insured at the last mailing address known to us at least 45 days before the expiration date of this Policy.
2. We will send notice of nonrenewal to the first Named Insured by a "first-class mail tracking method" or by commercial mail delivery service. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.
3. When we elect not to renew a policy that has been in effect for more than 45 days for a reason other than nonpayment of premium, we will provide a written statement of the actual reason for the refusal to renew. You may request additional information within 30 days from the date of our notice.

4. If we offer to renew at least 45 days before the renewal date and you fail to make the required premium payment by the renewal date, the Policy will terminate on the renewal date for nonpayment of premium.
- F. With respect to the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, the following condition is added:
- Nonrenewal**
1. We may elect not to renew this Policy by mailing notice of nonrenewal to the first Named Insured at the last mailing address known to us at least 45 days before the expiration date of this Policy.
 2. We will send notice of nonrenewal to the first Named Insured by a "first-class mail tracking method". We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service. Proof of mailing will be sufficient proof of notice.
 3. When we elect not to renew a policy that has been in effect for more than 45 days for a reason other than nonpayment of premium, we will provide a written statement of the actual reason for the refusal to renew.
- G. The following is added to the **Legal Action Against Us** Condition and supersedes any other provision to the contrary:
- In addition to any other requirement for bringing a legal action against us, the action must be brought within three years from the date it accrues.

- H. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:

Concealment, Misrepresentation Or Fraud

We do not provide coverage in any case of fraud by you, at any time, as it relates to this insurance. We also do not provide coverage if you or any other insured ("insured"), at any time, intentionally conceals or misrepresents a material fact concerning:

1. This insurance;
 2. The Covered Property;
 3. Your interest in the Covered Property; or
 4. A claim under this insurance.
- I. The following definition is added:
- "First-class mail tracking method" means a method that provides evidence of the date that a piece of first-class mail was accepted for mailing by the United States Postal Service, including a certificate of mail and an electronic mail tracking system used by the United States Postal Service.
- "First-class mail tracking method" does not include a certificate of bulk mailing.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1) Computer hardware, including micro-processors;
 - (2) Computer application software;
 - (3) Computer operating systems and related software;
 - (4) Computer networks;
 - (5) Microprocessors (computer chips) not part of any computer system; or
 - (6) Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

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

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.

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

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

IL 09 85 12 20

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE – PART I	
Terrorism Premium (Certified Acts)	\$ <u>160.00</u>
This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):	
COMMERCIAL PROPERTY	
COMMERCIAL GENERAL LIABILITY	
Additional information, if any, concerning the terrorism premium:	
SCHEDULE – PART II	
Federal share of terrorism losses	80 %
(Refer to Paragraph B. in this endorsement.)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Disclosure Of Premium

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

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

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

NOTICE TO APPLICANTS IN MARYLAND REGARDING CANCELLATION AND PREMIUM RECALCULATION

CAUTION: No coverage is provided by this notice; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is a conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.

The binder or policy you have just agreed to purchase is subject to a 45-day underwriting review period beginning on the effective date of your coverage. If your risk meets our underwriting standards and we discover a material risk factor during the 45-day underwriting period, we shall recalculate the premium for the policy or binder based on the material risk factor. If we decide to recalculate your premium, we will send you a written Notice advising you of the amount of the recalculated premium, the reason(s) for the recalculation and your right to terminate the policy.

If your risk does not meet our underwriting standards, your coverage may be cancelled during the underwriting review period. If we decide to cancel the binder or policy, we will send you a written Notice of Cancellation advising you of the reason(s) for the cancellation and the date on which your policy will be cancelled.

MARYLAND FRAUD STATEMENT

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

GREATER NEW YORK INSURANCE GROUP

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. The following exclusion is added to Paragraph B. Exclusions:

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

Cyber Incident

1. Unauthorized access to or use of any computer system (including electronic data).
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided for such incidents in the:

- a. Additional Coverage – Electronic Data;
- b. Additional Coverage – Interruption Of Computer Operations;
- c. Additional Coverage – Computer Fraud Coverage or
- d. Additional Coverage – Computer Coverage

3. Electronic Commerce Endorsement

The exclusions in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

4. Equipment Breakdown Enhancement Endorsement

The exclusions in Paragraph **A.** do not apply to the following coverages in the Equipment Breakdown Enhancement Endorsement when attached to your policy:

- a. Computer Equipment;
- b. Data Restoration; or
- c. Unauthorized Instruction.

C. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Causes Of Loss – Basic, Broad or Special Forms and if applicable to the premises described in the Declarations:

Vandalism does not include a cyber incident as described in Paragraph **A.**

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**COMMERCIAL PROPERTY DECLARATIONS
COMMERCIAL PROPERTY COVERAGE PART**

THIS POLICY IS ISSUED BY THE
GREATER NEW YORK MUTUAL INSURANCE COMPANY

NAMED INSURED ANNEN WOODS CONDOMINIUMS #2, INC		EFFECTIVE DATE 11/06/2021	POLICY NUMBER 1119M39406 ENDORSEMENT NUMBER		
DESCRIPTION OF PREMISES: SEE DESIGNATION OF PREMISES SCHEDULE COVERAGES PROVIDED: INSURANCE AT THE DESCRIBED LOCATION APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN. OPTIONAL COVERAGES: APPLICABLE ONLY WHEN SHOWN BY "X" IN SCHEDULE BELOW.					
LOC. NO.	BLDG NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
001	001	BUILDING FIRE-RESISTIVE	\$ 12,877,202	SPECIAL	100
OTHER PROVISIONS					
TERRITORY: 002 PROTECTION CLASS: 03 OCCUPANCY: CONDOMINIUM <input checked="" type="checkbox"/> AGREED VALUE: \$ 12,877,202 <input checked="" type="checkbox"/> REPLACEMENT COST <input type="checkbox"/> INFLATION GUARD: % <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT PERIOD: MAX EXT. DAYS BI MEDIA DEDUCTIBLE 5,000 EARTHQUAKE DEDUCTIBLE: % EXCEPTIONS: BLKT GRP # 1.					
LOC. NO.	BLDG NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
001	001	BUSINESS PERS PROP FIRE-RESISTIVE	\$ 25,000	SPECIAL	90
OTHER PROVISIONS					
TERRITORY: 002 PROTECTION CLASS: 03 OCCUPANCY: CONDOMINIUM <input type="checkbox"/> AGREED VALUE: <input checked="" type="checkbox"/> REPLACEMENT COST <input type="checkbox"/> INFLATION GUARD: % <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT PERIOD: MAX EXT. DAYS BI MEDIA DEDUCTIBLE 5,000 EARTHQUAKE DEDUCTIBLE: % EXCEPTIONS: BLKT GRP # 2.					
LOC. NO.	BLDG NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
001	001	BUS INC (III) INCL EXTRA EXP FIRE-RESISTIVE	\$ 100,800	SPECIAL	100
OTHER PROVISIONS					
TERRITORY: 002 PROTECTION CLASS: 03 OCCUPANCY: CONDOMINIUM <input type="checkbox"/> AGREED VALUE: <input type="checkbox"/> REPLACEMENT COST <input type="checkbox"/> INFLATION GUARD: % <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT PERIOD: MAX EXT. DAYS BI MEDIA DEDUCTIBLE EARTHQUAKE DEDUCTIBLE: % EXCEPTIONS:					
LOC. NO.	BLDG NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
001	002	BUILDING FIRE-RESISTIVE	BLKT GRP 1	SPECIAL	100
OTHER PROVISIONS					
TERRITORY: 002 PROTECTION CLASS: 03 OCCUPANCY: CONDOMINIUM <input checked="" type="checkbox"/> AGREED VALUE: BLKT GRP 1 <input checked="" type="checkbox"/> REPLACEMENT COST <input type="checkbox"/> INFLATION GUARD: % <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT PERIOD: MAX EXT. DAYS BI MEDIA DEDUCTIBLE 5,000 EARTHQUAKE DEDUCTIBLE: % EXCEPTIONS:					

**COMMERCIAL PROPERTY DECLARATIONS
COMMERCIAL PROPERTY COVERAGE PART**

THIS POLICY IS ISSUED BY THE
GREATER NEW YORK MUTUAL INSURANCE COMPANY

NAMED INSURED ANNEN WOODS CONDOMINIUMS #2, INC		EFFECTIVE DATE 11/06/2021	POLICY NUMBER 1119M39406 ENDORSEMENT NUMBER		
DESCRIPTION OF PREMISES: SEE DESIGNATION OF PREMISES SCHEDULE COVERAGES PROVIDED: INSURANCE AT THE DESCRIBED LOCATION APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN. OPTIONAL COVERAGES: APPLICABLE ONLY WHEN SHOWN BY "X" IN SCHEDULE BELOW.					
LOC. NO.	BLDG NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
001	002	BUSINESS PERS PROP FIRE-RESISTIVE	BLKT GRP 2	SPECIAL	90
OTHER PROVISIONS					
TERRITORY: 002 PROTECTION CLASS: 03 OCCUPANCY: CONDOMINIUM <input type="checkbox"/> AGREED VALUE: <input checked="" type="checkbox"/> REPLACEMENT COST <input type="checkbox"/> INFLATION GUARD: % <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT PERIOD: MAX EXT. DAYS BI MEDIA DEDUCTIBLE 5,000 EARTHQUAKE DEDUCTIBLE: % EXCEPTIONS:					
LOC. NO.	BLDG NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
001	002	BUS INC (III) INCL EXTRA EXP FIRE-RESISTIVE	\$ 100,800	SPECIAL	100
OTHER PROVISIONS					
TERRITORY: 002 PROTECTION CLASS: 03 OCCUPANCY: CONDOMINIUM <input type="checkbox"/> AGREED VALUE: <input type="checkbox"/> REPLACEMENT COST <input type="checkbox"/> INFLATION GUARD: % <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT PERIOD: MAX EXT. DAYS BI MEDIA DEDUCTIBLE EARTHQUAKE DEDUCTIBLE: % EXCEPTIONS:					
LOC. NO.	BLDG NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
OTHER PROVISIONS					
TERRITORY: PROTECTION CLASS: OCCUPANCY: <input type="checkbox"/> AGREED VALUE: <input type="checkbox"/> REPLACEMENT COST <input type="checkbox"/> INFLATION GUARD: % <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT PERIOD: MAX EXT. DAYS BI MEDIA DEDUCTIBLE EARTHQUAKE DEDUCTIBLE: % EXCEPTIONS:					
LOC. NO.	BLDG NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
OTHER PROVISIONS					
TERRITORY: PROTECTION CLASS: OCCUPANCY: <input type="checkbox"/> AGREED VALUE: <input type="checkbox"/> REPLACEMENT COST <input type="checkbox"/> INFLATION GUARD: % <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT PERIOD: MAX EXT. DAYS BI MEDIA DEDUCTIBLE EARTHQUAKE DEDUCTIBLE: % EXCEPTIONS:					

**COMMERCIAL PROPERTY DECLARATIONS
COMMERCIAL PROPERTY COVERAGE PART (CONTINUED)**

THIS POLICY IS ISSUED BY THE
GREATER NEW YORK MUTUAL INSURANCE COMPANY

NAMED INSURED ANNEN WOODS CONDOMINIUMS #2, INC	EFFECTIVE DATE 11-06-21	POLICY NUMBER 1119M39406 ENDORSEMENT NUMBER
FORMS APPLICABLE: See Schedule of Forms and Endorsements		
MORTGAGE HOLDERS: See Schedule of Mortgage Holder(s)		
LOSS PAYEES: See Schedule of Loss Payee(s)		
TAX OR SURCHARGE:		\$
TOTAL ANNUAL PREMIUM - THIS COVERAGE PART:		\$ 12,743.00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT

As respects the coverage provided by this **Equipment Breakdown Enhancement Endorsement**, the coverage provided in the following Coverage Forms is modified.

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS - SPECIAL FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
COMMERCIAL PROPERTY CONDITIONS FORM
WATER EXCLUSION FORM**

AMENDMENTS TO THE COMMERCIAL PROPERTY CONDITIONS FORM

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following replaces **C. INSURANCE UNDER TWO OR MORE COVERAGES**:

If the Equipment Breakdown Enhancement Endorsement and one of the following:

- Movie Theater Specialty Coverage Endorsement;
- Habitational Specialty Coverage Endorsement;
- Manufactures' Specialty Endorsement;
- Package Enhanced Coverage Endorsement

applies to the same loss or damage, the limits provided by the Endorsements will not be added together. The most we will pay is the higher of the two limits. In all other cases, if two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

AMENDMENTS TO THE BUILDING AND PERSONAL PROPERTY AND CONDOMINIUM ASSOCIATION COVERAGE FORMS

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following is added to **2. Property Not Covered** under **A. Coverage**:

- r. Insulating or refractory material;
- s. Structure, foundation, cabinet or compartment containing the object;
- t. Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well-casing;
- u. Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment; felt, wire, screen, die, extrusion, plate, swing hammer, grinding disc, cutting blade, cable, chain, belt, rope, clutch plate, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following is added to **d. Pollutant Clean Up and Removal** under **A.4. Additional Coverage**:

d. Pollutant Clean Up and Removal

We will pay for the Pollutant Clean Up and Removal for loss resulting from an "Equipment Breakdown". The most we will pay for the Pollutant Clean Up and Removal is **\$250,000**. Any amount we pay under this Pollutant Clean Up and Removal Additional Coverage is subject to, is a part of, and is not in

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addition to the applicable Limit of Insurance for Covered Property.

Furthermore, this Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more in any one covered loss than a total of **\$250,000** as part of and not in addition to the applicable Limit of Insurance for Covered Property.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water at your covered location(s).

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following are added to **A.4. Additional Coverage**:

g. Expediting Expenses

We will pay for the expediting expense loss resulting from an "Equipment Breakdown" with respect to your damaged Covered Property. We will pay the reasonable extra cost to:

- (1) Make temporary repairs;
- (2) Expedite permanent repairs; and
- (3) Expedite permanent replacement

"Reasonable extra cost" shall mean the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation. This will be a part of and not an addition to the limit per loss.

"Expediting Expenses" shall mean – only to the extent it reduces the amount of loss that otherwise would have been payable under this "Equipment Breakdown" coverage.

Any amount we pay under this Expediting Expenses Additional Coverage is subject to, is a part of, and is not in addition to the applicable Limit of Insurance for Covered Property. Furthermore, this Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more than the applicable Limit of Insurance for Covered Property.

h. Refrigerant Contamination

We will pay for direct physical loss or damage to Covered Property due to contamination by refrigerant (including ammonia) used in refrigerating, cooling or humidity controlled equipment at the described premises as a result of an "Equipment Breakdown".

The most we will pay for the sum of all direct loss or damage and business income and extra expense under this coverage is **\$250,000**. Any amount we pay under this Refrigerant Contamination Additional Coverage is subject to, is a part of, and is not in addition to the applicable Limit of Insurance for Covered Property. Furthermore, this Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more in any one covered loss than a total of **\$250,000** as part of and not in addition to the applicable Limit of Insurance for Covered Property.

i. Spoilage

We will pay for loss of "perishable goods" due to spoilage resulting from lack or excess of power, light, heat, steam or refrigeration caused by an "Equipment Breakdown" to types of property covered by this policy, that are:

- (1) Located on or within 1,000 feet of your described premises; and
- (2) Owned or used by you, owned by the building owner at your described premises, or owned by a public utility.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

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Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freeze, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

The most we will pay for loss or damage under this coverage is **\$250,000**. Any amount we pay under this Spoilage Additional Coverage is subject to, is a part of, and is not in addition to the applicable Limit of Insurance for Covered Property. Furthermore, this Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more in any one covered loss than a total of **\$250,000** as part of and not in addition to the applicable Limit of Insurance for Covered Property.

j. Temperature Fluctuation

We will pay for loss of "perishable goods" only caused by or resulting from any condition or event to Covered Property that can be resolved by calibrating, resetting, tightening, adjusting or cleaning. However, we will not pay for loss of "perishable goods" as a result of resetting the power supply to the Covered Property containing the "perishable goods".

The most we will pay for the sum of all direct loss or damage and business income and extra expense under this coverage is **\$5,000**. Any amount we pay under this Temperature Fluctuation Additional Coverage is subject to, is a part of, and is not in addition to the applicable Limit of Insurance for Covered Property. Furthermore, this Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more in any one covered loss than a total of **\$5,000** as part of and not in addition to the applicable Limit of Insurance for Covered Property.

k. CFC Refrigerants

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances resulting from an "Equipment Breakdown". Additional costs mean those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved. We also pay for additional loss as described under the Spoilage or Loss of Income Coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

We pay no more than the least of the following but not to exceed policy limit:

- (1) The cost to repair the damaged property and replace any lost CFC refrigerant;
- (2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- (3) The cost to replace the system with one using a non-CFC refrigerant.

Any amount we pay under this CFC Refrigerants Additional Coverage is subject to, is a part of, and is not in addition to the applicable Limit of Insurance for Covered Property. Furthermore, this Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more than the applicable Limit of Insurance for Covered Property.

l. Computer Equipment

We will pay for loss or damage to your "computer equipment" caused by an "Equipment Breakdown".

"Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment, and electronic media and records.

Any amount we pay under this "Computer Equipment" Additional Coverage is subject to, is a part of, and is not in addition to the applicable Limit of Insurance for Covered Property. Furthermore, this Additional

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Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more than the applicable Limit of Insurance for Covered Property.

m. Off Premises Services Interruption

- a. For coverage provided by this endorsement, with respect to your damaged Covered Property, we will pay for loss or damage caused by the Interruption of Services to the premises described in the Declarations. The interruption must result from direct physical loss or damage by an "Equipment Breakdown" to property not on the described premises that provided the following services:
- (1) "Water Supply Services", meaning the following types of property supplying water to the premises described in the Declarations:
 - (a) Pumping stations
 - (b) Water mains.
 - (2) "Communications Supply Service", means property supplying communication services including telephone, radio, microwave or television services to the premises described in the Declarations such as:
 - (a) Communication transmission lines
 - (b) Coaxial cables; or
 - (c) Microwave radio relays except satellitesIt does not include overhead transmissions lines.
 - (3) "Power Supply Service" means the following types of property supplying electricity, steam or gas to the premises described in the Declarations:
 - (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers;
 - (e) Distribution lines;
 - (f) Underground transmission lines."Power Supply Service" does not include overhead transmission lines.
- b. However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:
- Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freeze, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.
- c. Deductibles:
- (1) For Business Income and Extra Expense, we will only pay for the loss you sustain after the first **12** hours following the direct physical loss or damage to the off premises property to which this Additional Coverage applies.
 - (2) For Direct damage losses, a **\$1,000** per occurrence deductible applies.
- The most we will pay for the sum of all loss, damage, business income and extra expense under this Additional Coverage is **\$250,000**. Any amount we pay under this Off-Premises Services Interruption Additional Coverage is subject to, is a part of, and is not in addition to the applicable Limit of Insurance for Covered Property. Furthermore, this Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more in any one covered loss than a total of **\$250,000** as part of and not in addition to the applicable Limit of Insurance for Covered Property. The Coinsurance Condition does not apply to this Additional Coverage.
- Exclusion **B.1.e.** of the Causes of Loss Coverage Form attached to your policy does not apply to this Additional Coverage.

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n. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore "data", including programs and operating systems that are lost as a result of an "Equipment Breakdown". The most we will pay for loss or damage under this coverage is **\$250,000**. This Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more in any one covered loss than a total of **\$250,000** as part of and not in addition to the applicable Limit of Insurance for Covered Property.

Only for the purposes of the coverage provided under this Data Restoration Additional Coverage, direct physical loss or damage to "data" resulting from an "Equipment Breakdown" includes erasure, derangement (scrambling), or failure of such programs and operating systems to function in the fashion for which it was designed.

Only for the purposes of the coverage provided by this Data Restoration Additional Coverage, "data" means any information that is electronically magnetically or optically stored, recorded or installed for use in your information systems or data processing operations.

o. Unauthorized Instruction

We will pay for loss or damage to your "computer equipment" caused by an "unauthorized instruction" which results in an "equipment breakdown".

Any amount we pay under this Unauthorized Instruction Additional Coverage is subject to, is a part of, and is not in addition to the applicable Limit of Insurance for Covered Property. Furthermore, this Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more than the applicable Limit of Insurance for Covered Property.

"Unauthorized instruction" means a virus, harmful code or similar instruction introduced into or enacted on a computer system or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

p. Service Interruption

Any insurance provided for Business Income, Extra Expense or Data Restoration is extended to apply to your loss, damage or expense caused by an "equipment breakdown" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks, data transmission or "cloud computing". The equipment must meet the definition of "equipment breakdown" except that it is not Covered Property.

q. Risk Improvement

If Covered Property suffers direct physical loss or damage due to an "equipment breakdown", we will pay for the insured to improve the "power quality" of the electrical system or equipment at the loss location where the "equipment breakdown" occurred. "Power quality" means the conditions that allow electrical systems or equipment to operate as intended by limiting voltage fluctuations and other power influences that would adversely affect the operational performance and/or reduce the reliability, or the life-span of the electrical system.

We will pay the reasonable extra cost to improve "power quality" for the following electrical systems and/or equipment improvements:

- a. Installation of surge protection devices (SPD's) which are installed at the loss location's line disconnect, load disconnect, or on specific pieces of equipment and that are certified by Underwriter Laboratories (UL) or has an equivalent certification.

However SPD's do not include any SPD's which are cord-connected surge strips, direct plug-in SPD's or receptacle SPD's;

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- b. An upgrade and/or replacement of; electrical panels, switchgear and/or circuit breakers; or
- c. Electrical wire and wiring improvements which include installation of; flexible conduit, junction boxes and/or ground wiring.

We will not pay more than **10%**, to a maximum limit of **\$10,000**, of the loss amount paid. An invoice for implementation of this Additional Coverage must be sent to us within **180** days after the payment of the loss is received. Any amount we pay under this Risk Improvement Additional Coverage is subject to, is a part of, and is not in addition to the applicable Limit of Insurance for Covered Property. Furthermore, this Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more in any one covered loss than **10%**, to a maximum limit of **\$10,000**, of the loss amount paid as part of and not in addition to the applicable Limit of Insurance for Covered Property.

r. Off-Premises Coverage

We will pay for loss or damage to Covered Property resulting from a covered "Equipment Breakdown" while temporarily at a premises or location that is not a described premises.

The most we will pay for loss or damage under this coverage is **\$25,000**. This will be a part of and not an addition to the limit per loss. Furthermore, this Additional Coverage applies on a per policy basis regardless of the number of buildings, premises, or locations we insure on the Policy. Therefore, in no event, will we pay more in any one covered loss than a total of **\$25,000** as part of and not in addition to the applicable Limit of Insurance for Covered Property.

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following are added to **F. Additional Conditions**:

3. Suspension

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- (a) Your last known address; or
- (b) The address where the property is located.

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

4. Jurisdictional Inspections

If any Covered Property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

5. Environmental, Safety and Energy Efficiency Improvements

If Covered Property requires repair or replacement due to an "Equipment Breakdown", we will pay your additional cost to replace with equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced.

However, we will not pay more than **150%** of what the cost would have been to repair or replace with like kind and quality. This Condition does not apply to any property to which Actual Cash Value applies.

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6. Green Environmental and Efficiency Improvements If Covered Property requires repair or replacement due to an "Equipment Breakdown", we will pay;

- a. The lesser of the reasonable and necessary additional cost incurred by the Insured to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as "Green". "Like kind and quality" includes similar size and capacity.
- b. The additional reasonable and necessary fees incurred by the Insured for an accredited professional certified by a "Green Authority" to participate in the repair or replacement of physically damaged Covered Property as "Green".
- c. The additional reasonable and necessary cost incurred by the Insured for certification or recertification of the repaired or replaced Covered Property as "Green".
- d. The additional reasonable and necessary cost incurred by the Insured for "Green" in the removal, disposal or recycling of damaged Covered Property.
- e. The business interruption (if covered within the Policy to which the Equipment Breakdown Enhancement Endorsement – Green Environmental and Efficiency Improvements is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with "Green", in the coverage above.

We will not pay more than **150%**, to a maximum limit of **\$250,000**, of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs and any business interruption loss incurred as stated above.

Green Environmental and Efficiency Improvements does not cover any of the following:

- a. Covered Property does not include stock, raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the Insured is legally liable, or personal property of others.
- b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.
- c. Any loss covered under any other section of this policy.
- d. Any cost incurred due to any law or ordinance with which the Insured was legally obligated to comply prior to the time of the "Equipment Breakdown".

These **Additional Conditions** will be part of, and not an addition to, the limits of liability per loss or any other sub-limits of the Policy.

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following is added to **H. Definitions**:

4. "Equipment Breakdown".

"Equipment Breakdown" as used herein means:

a. Direct Physical loss or damage both originating within:

(1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:

- a. Waste disposal piping;
- b. Any piping forming part of a fire protective system;

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- c. Furnaces; and
- d. Any water piping other than:
 - (1) Boiler feed water piping between the feed pump and the boiler; piping carrying steam from one building to another;
 - (2) Boiler condensate return piping; or
 - (3) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
- (2) All mechanical, electrical, electronic, fiber optic equipment or "electronic equipment"; and
- b. Caused by, resulting from, or consisting of:
 - (1) Mechanical breakdown;
 - (2) Electrical or electronic breakdown and "electronic equipment deficiency"; or
 - (3) Rupture, bursting, bulging, implosion, or steam explosion.
 - (4) If covered electrical equipment requires drying out as a result of a flood, we will pay for the direct expenses of such drying out.

However, "Equipment Breakdown" will not mean:

Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage:

- (1) Wear and Tear;
 - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
 - (6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software;
 - (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Marring or scratching.
 - (8) Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freeze, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.
5. "Perishable goods" as used herein means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.
 6. "Green" as used herein means products, materials, methods and processes certified by a "Green Authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
 7. "Green Authority" as used herein means an authority on "Green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), "Green" Building Initiative Green Globes®, Energy Star Rating System or any other recognized "Green" rating system.

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8. "Production machinery" as used herein means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste material or finished products.
9. "Electronic equipment" means devices which operate using many small electrical parts such as, but not limited to, microchips, transistors or circuits.
10. "Electronic equipment deficiency" means the quality or condition inside of "electronic equipment" which renders this equipment unexpectedly inoperable and which is operable again once a piece of "electronic equipment" has been replaced.

However, "electronic equipment deficiency" will not include replacement of "electronic equipment" for any condition that could have been resolved without replacement of the "electronic equipment" including but not limited to "computer equipment" maintenance or the reinstallation or incompatibility of software.

11. "Cloud computing" means on-demand network access to a shared pool of computing resources via networks, servers, storage, applications and services provided by an organization with whom you have a contract with using the following service models: Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) on the following deployment models: public cloud, community cloud, hybrid cloud and private cloud.

AMENDMENTS TO THE CAUSES OF LOSS – BASIC FORM

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following is added to **A. Covered Causes of Loss**:

12. "Equipment Breakdown"

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following replaces **g. Water** under **B. Exclusions**:

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal waves, overflow of any body of water, or spray from any of these, all whether driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain or sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. But if any of the above, in paragraphs (1) through (5) above results in fire, explosion, sprinkler leakage or "Equipment Breakdown", we will pay for the loss or damage caused by that fire, explosion, sprinkler leakage or "Equipment Breakdown."

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following **Exclusions** are deleted:

B.2.a., B.2.d., B.2.e.

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AMENDMENTS TO THE CAUSES OF LOSS – BROAD FORM

The following is added to **A. Covered Causes of Loss**:

15. "Equipment Breakdown"

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following replaces **g. Water** under **B. Exclusions**:

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal waves, overflow of any body of water, or spray from any of these, all whether driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain or sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. But if any of the above, in paragraphs (1) through (5) above results in fire, explosion, sprinkler leakage or "Equipment Breakdown", we will pay for the loss or damage caused by that fire, explosion, sprinkler leakage or "Equipment Breakdown."

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following **Exclusions** are deleted:

B.2.a., B.2.b., B.2.c.

AMENDMENTS TO THE CAUSES OF LOSS - SPECIAL FORM

The following is included under **A. Covered Causes of Loss**:

"Equipment Breakdown" is included.

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following replaces **g. Water** under **B. Exclusions**:

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal waves, overflow of any body of water, or spray from any of these, all whether driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain or sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

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This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. But if any of the above, in paragraphs (1) through (5) above results in fire, explosion, sprinkler leakage or "Equipment Breakdown", we will pay for the loss or damage caused by that fire, explosion, sprinkler leakage or "Equipment Breakdown."

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following **Exclusions** are deleted:

B.2.a., B.2.d.(6), B.2.e.

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, **C. Limitations** is amended as follows:

All **Limitations** apply to the coverage provided by the Equipment Breakdown Enhancement Endorsement except **C.1.a.** and **C.1.b.**

For purposes of the coverage provided by this Equipment Breakdown Enhancement Endorsement, the following amends **G. Definitions**:

The following is added to the "Specified Causes of Loss" definition:

2. "Specified Causes of Loss" includes "Equipment Breakdown".

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GREATER NEW YORK INSURANCE COMPANIES

**AMENDMENT OF LIMITS AND DEDUCTIBLES
ENHANCED PROPERTY COVERAGE PROGRAM**

This endorsement modifies insurance provided under the following:

ENHANCED PROPERTY COVERAGE ENDORSEMENT
ENHANCED PROPERTY COVERAGE ENDORSEMENT FOR CONDOMINIUMS AND
COOPERATIVES
ENHANCED PROPERTY COVERAGE ENDORSEMENT FOR RESTAURANTS
PROTECTO-GUARD PROPERTY ENHANCED COVERAGE ENDORSEMENT FOR HABITATIONAL
PROPERTIES
PROTECTO-GUARD PROPERTY ENHANCED COVERAGE ENDORSEMENT FOR RESTAURANTS
ACTUAL LOSS SUSTAINED ENDORSEMENT
ENHANCED GENERAL LIABILITY COVERAGE ENDORSEMENT
ENHANCED GENERAL LIABILITY COVERAGE ENDORSEMENT FOR CONDOMINIUMS AND
COOPERATIVES
ENHANCED GENERAL LIABILITY COVERAGE ENDORSEMENT FOR RESTAURANTS
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
BUSINESS INCOME WITHOUT EXTRA EXPENSE COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM
ENHANCED PROPERTY COVERAGE ENDORSEMENT HOSPITALITY PROGRAM
CRIME COVERAGE ENDORSEMENT HOSPITALITY PROGRAM
ENHANCED PROPERTY COVERAGE ENDORSEMENT FOR OFFICE BUILDINGS – LESSORS RISK
ENHANCED PROPERTY COVERAGE ENDORSEMENT FOR SHOPPING CENTERS – LESSORS RISK
ENHANCED PROPERTY COVERAGE ENDORSEMENT PRIVATE CLUB PROGRAM

Changes are applicable only if the appropriate section is completed by indicating the Additional and Total Limit in one (or more) of the Schedules which follow or if a box indicates a selection has been made by a box below is marked: ☒.

INCREASE(S) IN LIMITS

1. In addition to the Limits provided by the Enhanced Property Coverage Endorsement attached to your policy for the specific coverage listed below, we will pay the Additional Limits shown in the Schedule below:

INCREASE IN LIMITS SCHEDULE		
COVERAGE	ADDITIONAL LIMITS	TOTAL LIMIT
Access to Premises		
Accounts Receivable		
Alternative Key Systems		
Arson, Theft and Vandalism Rewards		
B.I. Reservation Systems		
Business Income - Dependent Properties		
Claim Expenses		
Computer Fraud Coverage		
Customer Reimbursement		

INCREASE IN LIMITS SCHEDULE		
COVERAGE	ADDITIONAL LIMITS	TOTAL LIMIT
Debris Removal		
Electronic Data:		
Elevator Collision for Personal Property of Others		
Evacuation Expense		
Fine Arts		
Fire Department Service Charges	\$15,000	\$25,000
Fire Protection Equipment Recharge		
Forgery or Alteration		
Hotel Key Card		
Guest's Property - Inside the Premises	Per Occurrence	
	Per Guest	
Guest's Property - In Safe Deposit Boxes	Per Occurrence	
	Per Guest	
Lost Lease		
Money and Securities	Inside	
	Outside	
Money Orders & Counterfeit Paper Currency		
Newly Acquired or Constructed Property - Building		
Newly Acquired or Constructed Property - Your Business Personal Property		
Off Premises Services		
Ordinance or Law	Demolition	
	Increased Cost of Construction	
Outdoor Antennas & Satellites		
Outdoor Signs/Signs		
Outdoor Trees, Shrubs and Plants		
Personal Effects and Property of Others	Per Person	\$15,000
	Aggregate	\$15,000
Pollutant Cleanup		
Property In Transit		
Property Off Premises		
Realty Tax - Increased Assessment		
Sewer Back-up Limited Additional Coverage		
Supplemental Refrigerated Food Coverage		
Tenant Move Back Expense		
Valuable Papers and Records - Cost of Research		
Water		

EMPLOYEE DISHONESTY INCREASED LIMIT

2. In addition to the Limits provided by the Enhanced Property Coverage Endorsement attached to your policy, we will pay the Additional Limits shown in the Schedule below for Employee Dishonesty:

EMPLOYEE DISHONESTY SCHEDULE		
COVERAGE	ADDITIONAL LIMITS	TOTAL LIMIT
Employee Dishonesty - Employee's 1-5		
Employee Dishonesty - Each Additional Employee 6-50		
Each Additional Employee 51 or Over		

CHANGE IN NUMBER OF DAYS OR PROPERTY DISTANCE EXTENSION - ENHANCED PROPERTY COVERAGE ENDORSEMENT

3. If an entry is made in the Additional Number column in the Schedule below, that number of days or that property distance is added to the number of days or property distances shown for that item in the Enhanced Property Coverage Endorsement.

ADDITIONAL NUMBER SCHEDULE		
COVERAGE	ADDITIONAL NUMBER	TOTAL NUMBER
Extended Business Income		
Preservation of Property		
Property Distance Extension		

OPTIONAL PERIOD(S) OF COVERAGE - ACTUAL LOSS SUSTAINED

4. In addition to the 12 month period of coverage provided by the ACTUAL LOSS SUSTAINED ENDORSEMENT, we will extend the period of coverage to the Optional Period of Coverage as shown in the Schedule below:

ADDITIONAL PERIOD SCHEDULE – ALS	
PROPERTY COVERAGE(S)	PERIOD OF COVERAGE OPTIONS (Coverage is provided only if one of the boxes below is marked: <input checked="" type="checkbox"/>)
	Optional Periods of Coverage:
ACTUAL LOSS SUSTAINED	<input type="checkbox"/> 24 months <input type="checkbox"/> 36 months

- A. If an Optional **24** month Period of Coverage is indicated (by a ☒ in the appropriate box) in this AMENDMENT OF LIMITS AND DEDUCTIBLES ENDORSEMENT Schedule above, the following replaces section **C. Limits of Insurance** of the Business Income And Extra Expense Coverage Form or the Business Income Without Extra Expense Coverage Form, but only to the extent that coverage is provided by the Actual Loss Sustained Endorsement:

C. Limits of Insurance

The most we will pay for any one occurrence is the actual loss of Business Income and/or the actual Extra Expense that you sustain during the "period of restoration" and that occurs within **24** consecutive months after the date of direct physical loss or damage. This **24**-month limit replaces the Limit of Insurance shown in the Declarations for Business Income or Business Income and Extra Expense.

- B. If an Optional **36** month Period of Coverage is indicated (by a ☒ in the appropriate box) in this AMENDMENT OF LIMITS AND DEDUCTIBLES ENDORSEMENT Schedule above, the following replaces Section **C. Limits of Insurance** of the Business Income And Extra Expense Coverage Form or the Business Income Without Extra Expense Coverage Form, but only to the extent that coverage is provided by this Actual Loss Sustained Coverage Extension:

C. Limits of Insurance

The most we will pay for any one occurrence is the actual loss of Business Income and/or the actual Extra Expense that you sustain during the "period of restoration" and that occurs within **36** consecutive months after the date of direct physical loss or damage. This **36**-month limit replaces the Limit of Insurance shown in the Declarations for Business Income or Business Income and Extra Expense.

C. ADDITIONAL COVERAGE - ALTERATIONS AND NEW BUILDINGS - OPTIONAL PERIOD(S) OF COVERAGE

As respects the Actual Loss Sustained Coverage as it relates to **A.5.b. ADDITIONAL COVERAGE - ALTERATIONS AND NEW BUILDINGS**, the following is added as the last paragraph:

The most we will pay for any one occurrence is the actual loss of Business Income and/or Extra Expense that you sustain during the "period of restoration" that occurs within **12** consecutive months after the date of direct physical loss or damage, unless a AMENDMENT OF LIMITS AND DEDUCTIBLES ENDORSEMENT modifies this period of coverage.

1. OPTIONAL PERIOD OF COVERAGE – ACTUAL LOSS SUSTAINED – **24** Months:

If an Optional **24** month Period of Coverage is indicated (by a ☒ in the appropriate box) in the AMENDMENT OF LIMITS AND DEDUCTIBLES ENDORSEMENT Schedule above, the following replaces the **12**-month provision stated above, but only to the extent that coverage is provided by this Actual Loss Sustained Endorsement:

The most we will pay for any one occurrence is the actual loss of Business Income and/or Extra Expense that you sustain during the "period of restoration" that occurs within **24** consecutive months after the date of direct physical loss or damage.

2. **OPTIONAL PERIOD OF COVERAGE – ACTUAL LOSS SUSTAINED – 36 Months:**

If an Optional **36** month Period of Coverage is indicated (by a ☒ in the appropriate box) in the AMENDMENT OF LIMITS AND DEDUCTIBLES ENDORSEMENT Schedule above, the following replaces the 12-month provision stated above, but only to the extent that coverage is provided by this Actual Loss Sustained Coverage Extension:

The most we will pay for any one occurrence is the actual loss of Business Income and/or Extra Expense that you sustain during the "period of restoration" that occurs within **36** consecutive months after the date of direct physical loss or damage.

- D. Only as respects the coverage provided by the Actual Loss Sustained Endorsement and modified by the Optional Period(s) of Coverage provision of this AMENDMENT OF LIMITS AND DEDUCTIBLES ENDORSEMENT, the following are deleted from **A.6.:**

DELETIONS FROM COVERAGE EXTENSION:

The following wording is deleted from section **A.6. Coverage Extension** of the Business Income (And Extra Expense) Coverage Form and **A.5. Coverage Extension** of the Business Income (without Extra Expense) Coverage Form:

"If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:"

NEWLY ACQUIRED LOCATIONS

The following wording is deleted from section **A.6. Coverage Extension** of the Business Income (and Extra Expense) Coverage Form and **A.5. Coverage Extension** of the Business Income (without Extra Expense) Coverage Form:

"The Additional Condition, Coinsurance, does not apply to this Extension."

ADDITIONAL CONDITION AND OPTIONAL COVERAGES

D. Additional Condition and **E.** Optional Coverages of the Business Income And Extra Expense Coverage Form or the Business Income Without Extra Expense Coverage Form are deleted in their entirety.

- E. Only as respects the Actual Loss Sustained Endorsement, the following is added:

DEFINITION

"Period of Restoration" means the period of time that:

1. Begins
 - (a) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
 - (b) Immediately after the time of direct physical loss or damage for Extra Expense coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and
2. Ends on the earlier of:
 - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) The date when business is resumed at a new permanent location, or
 - (c) 12 months after the date of direct physical loss or damage, unless this time period is modified by an AMENDMENT OF LIMITS AND DEDUCTIBLES ENDORSEMENT attached to your policy which provides a different period of coverage. If an AMENDMENT OF LIMITS AND DEDUCTIBLES ENDORSEMENT is attached to your policy, then the reference to **12** months is

modified to the option (either **24** or **36** months option) indicated in the AMENDMENT OF LIMITS AND DEDUCTIBLES ENDORSEMENT.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants," or
- (iii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus," wet or dry rot, or bacteria. This exclusion of "fungus," wet or dry rot, or bacteria does not apply when "fungus," wet rot, dry rot or bacteria results from a Covered Cause of Loss. Exclusion **B.2.d.(2)** of the Causes of Loss Special Form continues to apply.

The additional limits provided by this endorsement are subject to all the applicable provisions of the Enhanced Property Coverage Endorsement.

OPTIONAL DEDUCTIBLES - ENHANCED PROPERTY COVERAGE ENDORSEMENT(S)

1. SEWER BACK-UP OPTIONAL DEDUCTIBLES

The Deductible(s) applicable to Sewer and Drain Back-up and Overflow and Sump Overflow in the Enhanced Property Coverage Endorsement attached to your policy is changed to the deductible(s) shown in the table below if the Box in the chart below is indicated with an ☒

COVERAGE WITH A NEW DEDUCTIBLE IS PROVIDED ONLY IF A BOX BELOW IS MARKED WITH <input checked="" type="checkbox"/>	COVERAGE	DEDUCTIBLE OPTION
<input type="checkbox"/>	Sewer and Drain Back-Up and Overflow and Sump Overflow – Limited Additional Coverage	\$2,500
<input type="checkbox"/>	Sewer and Drain Back-Up and Overflow and Sump Overflow – Limited Additional Coverage	\$10,000
<input type="checkbox"/>	Sewer and Drain Back-Up and Overflow and Sump Overflow – Limited Additional Coverage	\$25,000

If no entry appears in the table for a specific coverage, then the deductible in Enhanced Property Coverage Endorsement attached to your policy continues to apply to that coverage.

2. PERCENTAGE DEDUCTIBLE OPTIONS APPLICABLE TO SPECIFIC COVERAGES

If a percentage is indicated in the table below, the indicated percentage Deductible applies against any amount we pay for loss for any single occurrence payable under the applicable Coverage Extension. Then we will pay in excess of this deductible up to the Limit of Insurance provided by the applicable Coverage Extension.

Options are available for each whole percentage, up to **10%**.

The percentage deductible is a deductible that is determined by multiplying the percentage indicated in the table below against the Limit of Insurance for the property type insured under the Coverage Extension. (For example, the Limit of Insurance provided for Employee Dishonesty is **\$50,000** (but this Limit can be increased on request). If the percentage indicated in the table below is **1%**, then the percentage deductible is calculated as follows: $.01 \times \$50,000 = \500 . The Deductible applied against any loss will be **\$500**.

COVERAGE	PERCENTAGE DEDUCTIBLE OPTION
ACCOUNTS RECEIVABLE	Not available. Follows Property Deductible.
COMPUTER COVERAGE	
FINE ARTS	
VALUABLE PAPERS	Not available. Follows Property Deductible.
"COMPUTER FRAUD"	
FORGERY AND ALTERATION	
MONEY AND SECURITIES	

3. FIXED DOLLAR DEDUCTIBLE OPTIONS AVAILABLE

If a dollar amount is indicated in the table below, the indicated flat Deductible amount applies against any amount we pay for loss for any single occurrence payable under the applicable Coverage Extension. Then we will pay in excess of this deductible up to the Limit of Insurance provided by the applicable Coverage Extension.

Fixed Dollar Deductible Options are available in set increments from **\$250 to \$5,000**.

COVERAGE	FIXED DOLLAR DEDUCTIBLE OPTION
ACCOUNTS RECEIVABLE	
COMPUTER COVERAGE	
FINE ARTS	
VALUABLE PAPERS	
"COMPUTER FRAUD"	
FORGERY AND ALTERATION	
MONEY AND SECURITIES	

4. EMPLOYEE DISHONESTY DEDUCTIBLE OPTIONS AVAILABLE

If a dollar amount is indicated in one of the check boxes below, that Deductible amount applies against any amount we pay for loss for any single occurrence payable under the Employee Dishonesty Coverage. Then we will pay in excess of this deductible up to the Limit of Insurance provided by The Employee Dishonesty Coverage.

\$500	\$1,000	\$2,500	\$5,000	\$10,000	\$25,000	\$50,000	\$100,000
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. GUESTS PROPERTY DEDUCTIBLE OPTIONS AVAILABLE

If a dollar amount is indicated in one of the check boxes below, that Deductible amount applies against any amount we pay for loss for any single occurrence payable under the Guests Property Coverage. Then we will pay in excess of this deductible up to the Limit of Insurance provided by The Guests Property Coverage.

Inside the Premises (Including Robbery of a Custodian)

\$0	\$250	\$500	\$1,000	\$2,000	\$5,000	\$10,000
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Inside Safe Deposit Boxes

\$0	\$250	\$500	\$1,000	\$2,000	\$5,000	\$10,000
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INCREASE IN LIMITS – ENHANCED GENERAL LIABILITY COVERAGE ENDORSEMENT

In addition to the Limits provided by the ENHANCED GENERAL LIABILITY COVERAGE ENDORSEMENT, we will pay the Additional Limit as shown in the Table below, up to the Total Limit of Insurance:

GENERAL LIABILITY COVERAGES		
COVERAGE	ADDITIONAL LIMIT	TOTAL LIMIT
Damage To Premises Rented To You		\$1,000,000

The limits provided by this endorsement are subject to all the applicable provisions of the Enhanced Property Coverage Endorsement attached to your policy.

All other terms and conditions remain unchanged.

GNY INSURANCE GROUP

Extended Replacement Cost Endorsement

This endorsement changes the:
Building and Personal Property Coverage Form
Condominium Association Coverage Form

The following is added as a Coverage Extension:

Extended Replacement Cost

1. If the Limit of Insurance shown in the Declarations for Building is inadequate to pay the full amount of a covered Building loss, under this Coverage Extension:
 - (a) Subject to (b) immediately below, we will pay that part of the otherwise covered Building loss that exceeds the applicable Building Limit.
 - (b) The most we will pay under this Coverage Extension is 25% of the applicable Building Limit shown in the Declarations.
2. This Coverage Extension does not:
 - (a) Apply to, or
 - (b) Change or increase our liability for:
any limit, sublimit, additional coverage, coverage extension, or endorsement, other than:
 - (1) The Building Limit, or
 - (2) Ordinance or Law Coverage A (if applicable.)
3. Ordinance or Law Coverage A. (if applicable) is included within, not in addition to, the 25% of the building limit provided by this Coverage Extension.
4. Additional Conditions, 1. Coinsurance, of the Building and Personal Property and Condominium Association Coverage Form is waived for Building Coverage.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

A. Coverage

1. Business Income

Business Income means the:

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

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
 - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation — Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
 - (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
 - (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
 - (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.
- 6. Coverage Extension**
- If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:
- Newly Acquired Locations**
- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
 - b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
 - c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;

(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

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

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
 - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- 1. The Coinsurance percentage shown for Business Income in the Declarations; times
- 2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

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

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight — outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion — not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 150,000
The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \div \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 200,000
The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit Of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example

When:	The Limit of Insurance is:	\$ 120,000
	The fraction shown in the Declarations for this Optional Coverage is:	1/4
	The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
	(\$120,000 x 1/4 = \$30,000)	
	If, in this example, the actual amount of loss is:	
	Days 1–30:	\$ 40,000
	Days 31–60:	\$ 20,000
	Days 61–90:	\$ 30,000
		<hr/>
		\$ 90,000
	We will pay:	
	Days 1–30:	\$ 30,000
	Days 31–60:	\$ 20,000
	Days 61–90:	\$ 30,000
		<hr/>
		\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and

- (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

- b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

Example

When:	The Limit of Insurance is:	\$ 100,000
	The Agreed Value is:	\$ 200,000
	The amount of loss is:	\$ 80,000
Step (1):	\$100,000 ÷ \$200,000 = .50	
Step (2):	.50 x \$80,000 = \$40,000	

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

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

- a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

- b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

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

5. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. "Suspension" means:

- a. The slowdown or cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

GNY INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTO-GUARD CHANGES ENDORSEMENT An ENHANCED PROPERTY COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following

PROTECTO-GUARD PROPERTY ENHANCED COVERAGE ENDORSEMENT FOR HABITATIONAL PROPERTIES
PROTECTO-GUARD PROPERTY ENHANCED COVERAGE ENDORSEMENT FOR RESTAURANTS
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM

Changes are applicable only if the appropriate section is completed by indicating the Additional and Total Limit in one (or more) of the Schedules which follow or if a box indicates a selection has been made by a box below is marked: ☒

1. **INTERIOR AND UNDERGROUND WATER DAMAGE AND/OR SEWER AND DRAIN AND BACK-UP AND OVERFLOW, SUMP OVERFLOW OPTIONAL DEDUCTIBLES** The Deductible(s) applicable to Interior and Underground Water Damage and/or Sewer Back-up contained in the PROTECTO-GUARD PROPERTY ENHANCED COVERAGE ENDORSEMENTS are changed to the deductible(s) shown in the table below if the Box in the chart below is indicated with an ☒

COVERAGE IS PROVIDED ONLY IF BOX BELOW IS MARKED WITH <input checked="" type="checkbox"/>	COVERAGE	DEDUCTIBLE OPTION
<input type="checkbox"/>	Sewer and Drain Back-Up and Overflow and Sump Overflow	\$2,500
<input type="checkbox"/>	Sewer and Drain Back-Up and Overflow and Sump Overflow	\$10,000
<input type="checkbox"/>	Sewer and Drain Back-Up and Overflow and Sump Overflow	\$25,000
<input type="checkbox"/>	Interior and Underground Water Damage	\$5,000
<input type="checkbox"/>	Interior and Underground Water Damage	\$8,000

If no entry appears in the table for a specific coverage, then the deductible stated in the Interior and Underground Water Damage and/or Sewer Back-up provision contained in the PROTECTO-GUARD PROPERTY ENHANCED COVERAGE ENDORSEMENT continues to apply to that coverage.

2. **A. ADDITIONAL LIMITS – EARTHQUAKE AND FLOOD**

In addition to the Limits provided by the PROTECTO-GUARD PROPERTY ENHANCED COVERAGE ENDORSEMENTS, we will pay the Additional Limits as shown in the schedule below:

COVERAGE	ADDITIONAL LIMIT (Coverage is provided only if a Limit of Insurance is shown)	TOTAL LIMIT
Earthquake and Volcanic Eruption		
Flood and/or Mudslide		

These limits are subject to all the provisions of the coverage as provided under PROTECTO-GUARD.

B. FLOOD AND/OR MUDSLIDE AND/OR EARTHQUAKE AND VOLCANIC ERUPTION OPTIONAL DEDUCTIBLES

The Deductible applicable to **Flood and/or Mudslide** and/or **Earthquake and Volcanic Eruption** Additional Covered Cause of Loss extended in the Enhanced Property Coverage Endorsement attached to your policy is/are changed to the deductible(s) shown in the table below if the Box in the chart below is indicated with an ☒

COVERAGE IS PROVIDED ONLY IF BOX BELOW IS MARKED WITH <input checked="" type="checkbox"/>	COVERAGE	DEDUCTIBLE OPTION
<input type="checkbox"/>	Flood and/or Mudslide	\$25,000 Per Building or BPP
<input type="checkbox"/>	Flood and/or Mudslide	\$50,000 Per Building or BPP
<input type="checkbox"/>	Earthquake and Volcanic Eruption	\$25,000 Per Building or BPP
<input type="checkbox"/>	Earthquake and Volcanic Eruption	\$50,000 Per Building or BPP

3. ORDINANCE OR LAW

In addition to the Limits provided by the PROTECTO-GUARD PROPERTY ENHANCED COVERAGE ENDORSEMENT we will pay the Additional Blanket Limit as shown in the schedule below for Ordinance or Law Coverages B and C:

COVERAGE	ADDITIONAL LIMIT (Coverage is provided only if a Limit of Insurance is shown)	TOTAL LIMIT
Ordinance or Law - Blanket Limit Coverage B - Demolition Cost and Coverage C - Increased Cost of Construction	\$575,440	\$2,575,440

These limits are subject to all the provisions of the coverage as provided under PROTECTO-GUARD PROPERTY ENHANCED COVERAGE ENDORSEMENT.

4. ACTUAL LOSS SUSTAINED BUSINESS INCOME WITH OR WITHOUT EXTRA EXPENSE

In addition to the 12 month period of coverage provided by the PROTECTO-GUARD PROPERTY ENHANCED COVERAGE ENDORSEMENT under the ACTUAL LOSS SUSTAINED provision, we will extend the period of coverage to the Optional Period of Coverage as shown in the schedule below:

PROPERTY COVERAGE(S)	PERIOD OF COVERAGE OPTIONS (Coverage is provided only if one of the boxes is marked)
Actual Loss Sustained	Optional Periods of Coverage: <input type="checkbox"/> 24 months <input type="checkbox"/> 36 months

5. ADDITIONAL COVERED PROPERTY

The following modifies insurance provided under the Building and Personal Property Coverage Form and The Condominium Association Coverage Form:

ADDITIONAL COVERED PROPERTY

- a. If the item of Additional Covered Property is indicated with an ☒ in the chart below, the following are added to A. Coverage, 1. Covered Property, a. **Building** of the Building and Personal Property Coverage Form:

ADDITIONAL COVERED PROPERTY	
<i>(Coverage is provided only if the box corresponding to the coverage in the column at left is marked with <input checked="" type="checkbox"/>)</i>	
<input type="checkbox"/>	<p>(7) Bridges, roadways, walks, patios or other paved surfaces; However, coverage under A.1.a.(7) is limited to "specified causes of loss".</p> <p>For the purposes of the coverage provided under this ADDITIONAL COVERED PROPERTY PROVISION, paragraph d. under A.2. Property Not Covered is deleted, but not as respects Covered Causes of Loss other than "specified Causes of Loss".</p>
<input type="checkbox"/>	<p>(8) The cost of excavations, grading, backfilling or filling; However, coverage under A.1.a.(8) does not extend to Earthquake and Volcanic Action or the Flood Covered Cause(s) of Loss (if provided by your policy) or to the Earthquake and Volcanic Eruption or the Flood and/or Mudslide Limited Additional coverages provided by this endorsement.</p> <p>For the purposes of the coverage provided under this ADDITIONAL COVERED PROPERTY PROVISION, paragraph f. under A.2. Property Not Covered is deleted, but not as respects Covered Causes of Loss other than "specified Causes of Loss".</p>
<input type="checkbox"/>	<p>(9) Foundations of buildings, structures, machinery or boilers if their foundations are below:</p> <ul style="list-style-type: none"> • The lowest basement floor; or • The surface of the ground, if there is no basement. <p>For the purposes of the coverage provided under this ADDITIONAL COVERED PROPERTY PROVISION, paragraph g. under A.2. Property Not Covered is deleted, but not as respects Covered Causes of Loss other than "specified Causes of Loss".</p>
<input type="checkbox"/>	<p>(10) Underground pipes, flues or drains. For the purposes of the coverage provided under this ADDITIONAL COVERED PROPERTY PROVISION, paragraph m. under A.2. Property Not Covered is deleted, but not as respects Covered Causes of Loss other than "specified Causes of Loss".</p>

- b. If the item of Additional Covered Property is indicated with an ☒ in the chart below, the following are added to **A. Coverage, 1. Covered Property, a. Building** of the Condominium Association Coverage Form:

ADDITIONAL COVERED PROPERTY	
<i>(Coverage is provided only if the box corresponding to the coverage in the column at left is marked with <input checked="" type="checkbox"/>)</i>	
<input type="checkbox"/>	<p>(8) Bridges, roadways, walks, patios or other paved surfaces; However, coverage under A.1.a.(8) is limited to "specified causes of loss".</p> <p>For the purposes of the coverage provided under this ADDITIONAL COVERED PROPERTY PROVISION, paragraph d. under A.2. Property Not Covered is deleted, but not as respects Covered Causes of Loss other than "specified Causes of Loss".</p>
<input type="checkbox"/>	<p>(9) The cost of excavations, grading, backfilling or filling; However, coverage under A.1.a.(9) does not extend to Earthquake and Volcanic Action or the Flood Covered Cause(s) of Loss (if provided by your policy) or to the Earthquake and Volcanic Eruption or the Flood and/or Mudslide Limited Additional coverages provided by this endorsement.</p> <p>For the purposes of the coverage provided under this ADDITIONAL COVERED PROPERTY PROVISION, paragraph f. under A.2. Property Not Covered is deleted, but not as respects Covered Causes of Loss other than "specified Causes of Loss".</p>
<input type="checkbox"/>	<p>(10) Foundations of buildings, structures, machinery or boilers if their foundations are below:</p> <ul style="list-style-type: none"> • The lowest basement floor; or • The surface of the ground, if there is no basement. <p>For the purposes of the coverage provided under this ADDITIONAL COVERED PROPERTY PROVISION, paragraph g. under A.2. Property Not Covered is deleted, but not as respects Covered Causes of Loss other than "specified Causes of Loss".</p>
<input type="checkbox"/>	<p>(11) Underground pipes, flues or drains. For the purposes of the coverage provided under this ADDITIONAL COVERED PROPERTY PROVISION, paragraph m. under A.2. Property Not Covered is deleted, but not as respects Covered Causes of Loss other than "specified Causes of Loss".</p>

6. INCREASE IN LIMITS – BUSINESS PERSONAL PROPERTY AT UNSPECIFIED LOCATIONS

The following replaces the LIMIT OF INSURANCE provision in the **BUSINESS PERSONAL PROPERTY AT UNSPECIFIED LOCATIONS** Coverage Extension:

The most we will pay for loss or damage under this coverage for each occurrence is **\$500,000**. If an occurrence involves more than one location, we will not pay more than **\$500,000** for the total of all loss or damage at all locations. Any amount we pay is a part of, not in addition to, the Limit of Insurance applicable to the Covered Business Personal Property. The property distance limitations that appear in this policy do not apply to the coverage provided by this Business Personal Property At Unspecified Locations Additional Coverage.

All other terms, limitations, exclusions and conditions remain unchanged.

GREATER NEW YORK INSURANCE GROUP
PROTECTO – GUARD
ENHANCED PROPERTY COVERAGE ENDORSEMENT FOR
HABITATIONAL PROPERTIES

This endorsement changes the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

TABLE OF COVERAGES		
PROPERTY AND BUSINESS INCOME COVERAGES	LIMIT OF INSURANCE (INCLUDES LIMITS PROVIDED BY COVERAGE FORMS LISTED ABOVE)	PAGE #
1. Accounts Receivable	\$1,000,000 ANN AGG	16
2. Business Income - Actual Loss Sustained (ALS)*	12 months STD	49
3. Business Income - Actual Loss Sustained (ALS)*	24 month Option	49
4. Business Income - Actual Loss Sustained (ALS)*	36 month Option	49
5. Business Income - Alterations of New Buildings*	ALS – 12 months	50
6. Business Income - Dependent Properties*	\$25,000	48
7. Business Income - Extended Business Income*	120 days	47
8. Computer Coverage	\$500,000/\$25,000/\$25,000	19
9. "Computer Fraud" Coverage	\$25,000 ANN AGG	14
10. Debris Removal Additional Limit	\$250,000	4
11. Earthquake and Volcanic Eruption Limited Additional Coverage	\$1,000,000 Blanket ANN AGG**	26
12. Electronic Data	\$25,000	5
13. Elevator Collision for Personal Property of Others	\$100,000	18
14. Employee Dishonesty	\$100,000	10
15. Fine Arts	\$50,000 ANN AGG	17
16. Fire Department Service Charge	\$10,000	4
17. Volunteer Fire Department Service Charge	\$1,000	4
18. Fire Protection Equipment Recharge	\$10,000	5
19. Flood and/or Mudslide (in only Zones C and X) Limited Additional Coverage	\$1,000,000 Blanket ANN AGG**	30
20. Forgery or Alteration	\$100,000 ANN AGG	13
21. Interior and Underground Water Damage – Limited Additional Coverage**	Included in Building Limit of Insurance	44
22. Lost or Stolen Key Coverage	\$10,000/\$10,000 ANN AGG	5
23. Lost Lease Coverage – Lessors Interest	\$250,000	6
24. Money and Securities	\$5,000 Out/\$5,000 In	9
25. Newly Acquired Or Constructed Property – Buildings	\$500,000	6

TABLE OF COVERAGES			
PROPERTY AND BUSINESS INCOME COVERAGES		LIMIT OF INSURANCE (INCLUDES LIMITS PROVIDED BY COVERAGE FORMS LISTED ABOVE)	PAGE #
26. Newly Acquired Or Constructed Property – Your Business Personal Property		25% of Business Personal Property Limit of Insurance up to \$500,000	6
27. Off Premises Services Interruption Limited Additional Coverage		\$500,000 ANN AGG	40
28. Ordinance or Law Limited Additional Coverage	Undamaged Portion	Included in Building Limit	36
	Demolition & Increased Cost of Construction	\$2,000,000 Combined Blanket Limit – Coverages B and C	36
	Increased Period of Restoration*	Business Income - Actual Loss Sustained – 12 months*	47
29. Outdoor Antennas & Satellite Dishes		\$10,000 ANN AGG	9
30. Outdoor Signs	Attached to Buildings	\$1,000	24
	Not Attached to Buildings	\$10,000	8
31. Outdoor Fences, Trees, Shrubs and Plants		\$100,000; \$2,500 per Tree, Shrub or Plant	7
32. Personal Effects and Property of Others		\$2,500 Per Person \$10,000 Per Occurrence	7
33. Personal Property At Unspecified Locations		\$100,000	18
34. Pollutant Cleanup and Removal		\$100,000 ANN AGG	5
35. Preservation of Property		60 days	4
36. Property Distance Extension		1,000 feet	5, 26, 47
37. Property In Transit		\$250,000	44
38. Property Off-Premises		\$10,000	7
39. Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage		Included in Building Limit of Insurance	42
40. Storage/Maintenance Buildings/Sheds, etc.		Included in Building Limit of Insurance	3
41. Tenant's Building Glass		Within Personal Property Limit	3
42. Tenant Move Back		\$250,000	6
43. Valuable Papers and Records Coverage		\$1,000,000 ANN AGG	7

* Coverage applies only if a Business Income Coverage Form is included in your policy.

****The Limit of Insurance shown for the listed Limited Additional Coverages includes the sum of all direct physical loss or damage to Covered Property and any loss of Business Income (applies only if a Business Income Coverage Form is included in your policy) occurring during a **12-month** period. This Limit of Insurance for the Limited Additional Coverages is subject to the Building or Business Personal Property Limit of Insurance shown on the Declarations for any single described premises.**

*When an ANNUAL AGGREGATE limit is specified, the most we will pay is the limit specified in the Table of Coverages arising out of Covered Causes of Loss occurring during each separate **12-month** period of this policy. The ANNUAL AGGREGATE limit applies no matter how many losses occur or how many buildings, premises, or locations are insured.*

*Unless otherwise specified in individual coverage extension, we will not pay for loss under any coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT if coverage for the same loss is also provided by other coverages extended by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. In such case, if loss is covered under more than one coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, we will pay only under the terms of the coverage that provides the highest Limit of Insurance. We will **not** pay for the combined Limits of Insurance of all the coverage(s). In no event will we ever pay more than the Limit of Insurance shown in the Table of Coverages above applicable to the specific coverage, unless indicated differently in the coverage's provisions.*

Building and Personal Property Coverage Form Condominium Association Coverage Form

The following modifies insurance provided under the Building and Personal Property Coverage Form and The Condominium Association Coverage Form:

AMENDMENTS TO A.1.a. COVERAGE - BUILDING

STORAGE/MAINTENANCE BUILDINGS/SHEDS, GATEHOUSES, AND GAZEBOS

- a. The following are added to **A. Coverage, 1. Covered Property, a. Building** of the Building and Personal Property Coverage Form:
 - (6) Storage/maintenance buildings/ sheds, gatehouses, and gazebos;
- b. The following are added to **A. Coverage, 1. Covered Property, a. Building** of the Condominium Association Coverage Form:
 - (7) Storage/maintenance buildings/ sheds, gatehouses, and gazebos;

AMENDMENTS TO A.1.b. YOUR BUSINESS PERSONAL PROPERTY

TENANT'S BUILDING GLASS

The following is added to **A. Coverage, 1. Covered Property, b. Your Business Personal Property**:

1. As paragraph **A.1.b.(8)** Of the Building and Personal Property Coverage Form; and
2. As paragraph **A.1.b (4)** of the Condominium Association Coverage Form:

Building Glass that is in the care, custody or control of the Insured at a described premises.

AMENDMENTS TO PROPERTY NOT COVERED

DELETIONS FROM PROPERTY NOT COVERED

Paragraph **A.2.n.** is deleted and replaced with the following:

- n. Electronic data, except as provided in the Definition of "Software" and "Electronic Data" in the Computer Coverage Extension included in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. The Electronic Data coverage provided in the Additional Coverages - Electronic Data in the Building and Personal Property Coverage Form is deleted.

"Electronic Data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. "Electronic Data" does not include Data in the Definition of "Software" in the Computer Coverage Extension as provided in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

The term computer programs, referred to in the foregoing description of "Electronic Data" and "Software" means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software.

AMENDMENTS TO A.4. ADDITIONAL COVERAGES

DEBRIS REMOVAL ADDITIONAL LIMIT

The ADDITIONAL COVERAGE, **Debris Removal** is amended by replacing the following paragraphs **A.4.a. (4)**

- (4). We will pay up to the additional limit of insurance shown in the table of coverages for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds **25%** of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. Therefore, if (4)(a) and/ or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus the limit of insurance shown in the Table of Coverage.

The ADDITIONAL COVERAGE, **Debris Removal** is amended by adding the following paragraphs **A.4.a.(6)** and **A.4.a.(7)**:

- (6) We will not pay for expenses you incur to remove debris from your described premises under this Debris Removal Additional Coverage if such debris removal expense is also covered by another Additional Coverage or Coverage Extension (such as the Outdoor Fences, Trees, Shrubs and Plants Coverage Extension) provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT for the same loss. If loss for the expense you incur to remove fallen trees is covered under this Debris Removal Additional Coverage and the Outdoor Fences, Trees, Shrubs and Plants Coverage Extension, then this Debris Removal Additional Coverage does not apply and only the Outdoor Fences, Trees, Shrubs and Plants Coverage Extension applies to such expenses.
- (7) This Debris Removal Additional Coverage does not apply to any loss covered under any Limited Additional Coverage (such as Earthquake and Volcanic Eruption or the Interior and Underground Water – Limited Additional Coverage, Public Water Supply – Limited Additional Coverage, or Sewer and Drain Back-up and Overflow and Sump Overflow – Limited Additional Coverage).

PRESERVATION OF PROPERTY

Paragraph **A.4.b.(2) Preservation of Property** is replaced with the following:

Only if the loss or damage occurs within the numbers of days shown in the Table of Coverages after the property is first moved.

Payments under Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance for Business Personal Property.

FIRE DEPARTMENT SERVICE CHARGE

Paragraph **A.4.c. Fire Department Service Charge** is replaced with the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No deductible applies to this additional coverage.

VOLUNTEER FIRE DEPARTMENT SERVICE CHARGE

The following is added to Paragraph **A.4.c. Fire Department Service Charge**:

When the volunteer fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No deductible applies to this additional coverage

POLLUTANT CLEANUP AND REMOVAL

The following replaces the last paragraph of **A.4.d. Pollutant Cleanup and Removal**:

The most we will pay under this Pollutant Cleanup and Removal Additional Coverage for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate **12-month** period of this policy is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. This Annual Aggregate limit applies no matter how many losses occur or how many buildings, premises or locations are insured.

INCREASED COST OF CONSTRUCTION

Section **A.4.e. Increased Cost of Construction** is deleted. Coverage for the Increased Cost of Construction is included under Coverage C of the Ordinance or Law Coverage Extension provided elsewhere in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

ELECTRONIC DATA

Section **A.4.f. Electronic Data** is deleted. Coverage for "Electronic Data" is included in the COMPUTER COVERAGE EXTENSION in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

ADDITIONS TO A.4. ADDITIONAL COVERAGES

The following are added to **A.4. Additional Coverages**. Limits of Insurance indicated in the provisions in this section provide additional Limits to those shown in the Declarations to Covered Building or Business Personal Property, as applicable, unless indicated otherwise within the coverage provision.

FIRE PROTECTION EQUIPMENT RECHARGE

We will pay expenses you incur to recharge automatic fire protection equipment when such equipment is discharged to fight a fire or as the result of a Covered Cause of Loss. The most we will pay under this Additional Coverage is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. Payments under this Fire Protection Equipment Recharge Additional Coverage will not increase the Limit of Insurance applicable to Buildings shown in the Declarations.

PROPERTY DISTANCE EXTENSION

In each instance where it appears in the form, the property distance limitation of 100 feet is changed to **1,000** feet.

Payments under this Property Distance Extension Additional Coverage will not increase the Limit of Insurance applicable to Buildings shown in the Declarations.

LOST OR STOLEN KEY COVERAGE

We will pay for the expense to re-key locks at a covered:

1. Building, and/or
 2. Structure,
- when the keys to those locks have been:
- a. Stolen, or
 - b. Lost,

at a premises described in the Declarations during the policy period.

No matter how many thefts of keys and/or losses of keys that occur during the policy period, the most we will pay for re-keying expenses at any one building or structure is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

However, an Annual Aggregate Limit applies. This means that the most we will pay under this Lost or Stolen Key Additional Coverage for the sum of all losses occurring during each separate **12-month** policy period is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY

COVERAGE ENDORSEMENT regardless of the number of:

- (i) Buildings, structures, premises or locations covered by this policy, or
- (ii) Thefts of keys and/or losses of keys that occur during the policy period.

Payments under this Lost or Stolen Key Additional Coverage will not increase the Limit of Insurance applicable to Buildings shown in the Declarations.

LOST LEASE COVERAGE – LESSOR'S INTEREST

We will pay for loss you sustain because of the cancellation of a lease contract by a tenant at the building or structure described in the Schedule when the reason for the cancellation is direct physical loss or damage to the leased premises caused by or resulting from a covered cause of loss during the policy period.

We will not pay for loss caused by (1) your canceling of the lease; (2) the suspension, lapse, or cancellation of any license, or any other consequential loss; or (3) refunds or rebates of (a) prepaid rent; (b) security or other deposits made by tenants; or (c) insurance, taxes, or other payments made on your behalf by tenants.

The most we will pay under this Lost Lease Coverage is the lesser of the difference between the rents actually paid at the leased premises by the cancelling tenant immediately before the loss or damage and the anticipated rental value of the leased premises had the lease not been cancelled for:

1. 12 months immediately following the period of restoration;
2. The period beginning with the end of the period of restoration and ending with the normal expiration date of the canceled lease; or
3. The Limit of Insurance shown in the above Schedule for Lost Lease Coverage.

The number of tenants who cancel leases will not increase either the Limit of Insurance of the Policy or the Limit of Insurance of this Additional Coverage. The expiration date of this policy will not result in a discontinuance of coverage provided by this Additional Coverage.

TENANT MOVE BACK COSTS AND EXPENSES

We will pay for any reasonable tenant move back costs and expenses incurred by the Named Insured provided that:

1. the vacancy occurred while such portion of the building could not be occupied due to direct physical loss of or damage to insured property; and
2. such tenant moves back within **60** days after the portion of such building has been repaired or rebuilt.

The most we will pay under this additional Tenant Move Back Costs and Expenses Coverage is the limit shown in the Table of Coverages. Such limit is in excess of all amounts under any other valid and collectible insurance of the Named Insured's tenants.

AMENDMENTS TO A.5. COVERAGE EXTENSIONS

NEWLY ACQUIRED OR CONSTRUCTED PROPERTY - Buildings

The following is added as the last paragraph of Newly Acquired or Constructed Property - Buildings **A.5.a.(1)**:
In addition to the limits otherwise provided under this policy for Newly Acquired Property or Constructed Property – Buildings, under **A.5.a.(1)**, under the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT we will pay up to the additional limit shown in the table of coverages at each building for loss or damage under this Extension.

NEWLY ACQUIRED OR CONSTRUCTED PROPERTY – Your Business Personal Property

The following is added as the last paragraph of Newly Acquired Personal Property or Constructed Property – Your Business Personal Property, **A.5.a.(2)(a)**:
In addition to the limits otherwise provided under this policy for Newly Acquired Property or Constructed Property – Your Business Personal Property, under **A.5.a.(2)(a)**, under the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, we will pay up to the additional limit shown in the Table of

Coverages at each building Newly Acquired Business Personal Property.

PERSONAL EFFECTS AND PROPERTY OF OTHERS

The following replaces the last paragraph of **A.5.b.** Personal Effects and Property Of Others:

The most we will pay for loss or damage under this Coverage Extension is shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, for the Personal Effects and Property Of Others of one person or entity. The most we will pay for loss or damage arising out of one occurrence is shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

VALUABLE PAPERS AND RECORDS (OTHER THAN ELECTRONIC DATA)

The following amends **A.5.c.** Valuable Papers And Records (Other Than Electronic Data)

1. The following is added to paragraph **A.5.c.(1)**:

The costs to replace or restore the lost information must be sustained by you because of loss or damage to Valuable Papers And Records (Other Than Electronic Data) caused by a Covered Cause of Loss at a premises described in the Declarations.

2. Paragraphs **A.5.c.(2)** and **A.5.c.(3)** are deleted.

3. The following replaces paragraph **A.5.c.(4)**:

(4) Under this Valuable Papers And Records (Other Than Electronic Data) Coverage Extension, the most we will pay for the total of all costs to replace or restore the lost information in each separate **12-month** policy period is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. This annual aggregate limit applies no matter how many losses occur during the policy period, or how many buildings, locations or premises are insured by this policy. However, the Annual Aggregate Limit is subject to the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. Therefore, in no event will we ever pay more in any single loss than the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

PROPERTY OFF-PREMISES

The following replaces Property Off -Premises paragraph **A.5.d.(3)**:

The most we will pay for loss or damage under this Extension is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

OUTDOOR PROPERTY

The following replaces Extension **A.5.e.** Outdoor Property:

e. OUTDOOR PROPERTY

You may extend the insurance provided by this Coverage Form to apply to your Outdoor Property (as described in the specific sections which follow):

(1) OUTDOOR FENCES, TREES, SHRUBS AND PLANTS

- (a) You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to your outdoor: fences; trees, shrubs and plants (other than "stock" of trees, shrubs or plants;) including debris removal expense caused by or resulting from any of the following Covered Causes of Loss:

- i. Fire;
- ii. Lightning;
- iii. Explosion;

- iv. Vehicles;
- v. Riot or civil commotion;
- vi. Aircraft;
- vii. Vandalism;
- viii. Theft.

The most we will pay for loss or damage under this OUTDOOR FENCES, TREES, SHRUBS AND PLANTS Coverage Extension for the outdoor property described above is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. These limits apply to any one occurrence, regardless of the types or number of fences, trees, shrubs and plants lost or damaged in that occurrence.

(b) Removal of Fallen Trees Coverage

Solely with respect to the debris removal coverage provided under paragraph **e.(1)(a)** above, we will pay for expenses you incur to remove debris of a tree which has fallen onto your described premises from a neighboring property, but only if:

- (i) Direct physical damage to Covered Property is sustained; and
- (ii) The fallen tree is not covered under paragraph **(1)(a)** of this OUTDOOR FENCES, TREES, SHRUBS AND PLANTS Coverage Extension.

The most we will pay under this Removal of Fallen Trees coverage for expenses for the removal of one tree is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. The most we will pay for the removal of all fallen trees at all described premises shown in the Declarations arising from one occurrence is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

Payments we make under this Removal of Fallen Trees coverage is included in and does not increase the Limit of Insurance applicable to this OUTDOOR FENCES, TREES, SHRUBS AND PLANTS Coverage Extension shown in paragraph **(1)(a)** above.

A Minimum Deductible of **\$3,000** applies to Each Occurrence for loss payable under this OUTDOOR FENCES, TREES, SHRUBS AND PLANTS Coverage Extension. This Minimum Deductible applies unless a higher deductible is shown in the Declarations applicable to Covered Building(s). We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance.

Any payments we make under this OUTDOOR FENCES, TREES, SHRUBS AND PLANTS Coverage Extension are included in and will not increase the Limit of Insurance applicable to Buildings shown in the Declarations.

(2) OUTDOOR SIGNS NOT ATTACHED TO BUILDINGS

- (a) You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to your outdoor signs at a premises described in the Declarations. We will pay for direct physical loss of or damage from a Covered Cause of Loss to such outdoor signs if the signs are not attached to a Covered Building and are:

- (i) Owned by you; or
- (ii) Owned by others but in your care, custody or control.

- (b) **B. Exclusions of the Causes Of Loss – Special Form** do not apply to signs covered under this OUTDOOR SIGNS NOT ATTACHED TO BUILDINGS Coverage Extension, except the following

B.1. Exclusions:

- (i) Paragraph **B.1.c. Governmental Action**;
- (ii) Paragraph **B.1.d. Nuclear Hazard**; and
- (iii) Paragraph **B.1.f. War And Military Action**.

- (c) Under this Outdoor Signs Not Attached To Buildings Coverage Extension, we will not pay for loss or damage caused by or resulting from:

- (i) Wear and tear;

- (ii) Hidden or latent defect;
 - (iii) Rust;
 - (iv) Corrosion; or
 - (v) Mechanical breakdown.
- (d) The most we will pay for loss or damage in any one occurrence for Outdoor Signs Not Attached To Buildings is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

(3) OUTDOOR ANTENNAS & SATELLITE DISHES

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to your outdoor radio and television antennas (including satellite dishes) and their lead-in wiring, masts or towers. We will pay for direct physical loss or damage to such outdoor radio and television antennas caused by or resulting from a Covered Cause of Loss.

The most we will pay for the sum of all direct physical loss or damage under this Outdoor Antennas & Satellite Dishes Coverage Extension in each separate **12-month** policy period is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. This annual aggregate limit applies no matter how many buildings, premises or locations are covered by this policy.

ADDITIONS TO A.5. COVERAGE EXTENSIONS

Payment under the following added Coverage Extensions is limited to the Limit of Insurance shown on in the Table of Coverages shown on the first page of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. The Limit shown in the Table of Coverages applicable to any of the added Coverage Extensions provided in the section is **not** additional insurance and will not increase the Limit of Insurance shown in the Declarations for Covered Property.

Any Limit of Insurance shown in this **ADDITIONS TO A.5. COVERAGE EXTENSIONS** section is **excess** over any specific insurance provided by another coverage form of this or any other policy applicable to the same property for the same loss.

The Additional Condition, Coinsurance, does not apply to these added Coverage Extensions.

The following are added to **A.5. COVERAGE EXTENSIONS**

MONEY AND SECURITIES

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to your "money" and "securities", subject to the following provisions:

1. We will pay for direct physical loss of "money" and "securities" used in your business while:
 - a. At a bank or savings institution; within your living quarters or the living quarters of your partners or any employee having use and custody of the property;
 - b. At the described premises; or
 - c. In transit between any of these places, resulting directly from:
 - (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
2. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - a. Resulting from accounting or arithmetical errors or omissions;
 - b. Due to the giving or surrendering of property in any exchange or purchase; or
 - c. Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
3. The most we will pay for loss in any one occurrence is:
 - a. **\$5,000** for "money" and "securities" while:
 - (1) In or on the premises described in the Declarations; or
 - (2) Within a bank or savings institution; and

- b. **\$5,000** for "money" and "securities" while at any other location covered under this extension.
- 4. All loss:
 - a. Caused by one or more persons; or
 - b. Involving a single act or series of related acts; is considered one occurrence.
- 5. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- 6. Only as respects this Money and Securities Coverage Extension, the following replaces **A.2.a.** Property Not Covered of the Building and Personal Property Coverage Form/Condominium Association Coverage Form:
 - 2. Property Not Covered**
 - Covered Property does not include:
 - a. Accounts, bills, currency, deeds, food stamps or other evidences of debt or notes. Lottery tickets held for sale are not securities. "Money" or "Securities" are also Property Not Covered, except as provided under the following added Coverage Extensions of the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT:
 - (1) "Money" and "Securities";
 - (2) Employee Dishonesty;
 - (3) Forgery and Alteration; and
 - (4) "Computer Fraud".
- 7. The property distance limitation does not apply to "money" and "securities" while at the places listed in paragraph **1.** of this Money And Securities Coverage Extension.
- 8. If a loss is covered both under this Money And Securities Coverage Extension and by a Commercial Crime Coverage Part attached to this policy, this coverage will be excess of that coverage, and only the deductible applicable to the Commercial Crime Coverage Part will apply. This provision supersedes any conflicting other insurance provisions.
- 9. We will not pay for loss under this Money and Securities Coverage Extension that is also covered under any of the following added Coverage Extension(s) providing coverage for the same loss:
 - a. "Computer Fraud";
 - b. Employee Dishonesty; or
 - c. Forgery and Alteration;
 of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. When such loss is payable under more than one coverage, the highest limit provided by any single coverage listed above will apply to the loss; however, we will not pay more than this limit. We will not pay a combination of the limits. This exclusion applies to loss that is not covered under the above listed Coverage Extension(s) solely due to exhaustion of limits.
- 10. For coverage provided under this Money and Securities Coverage Extension, the following definitions are added to the Definitions section:
 - "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
 - "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - (1) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (2) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
 but does not include "money."

EMPLOYEE DISHONESTY

You may extend the insurance provided by this Coverage Form to apply to loss of or damage to your

Covered Business Personal Property, "money" and "securities" resulting from dishonest acts committed by your employees (as defined in paragraph 10. below), subject to the following provisions:

1. We will pay for direct physical loss of or damage to your Covered Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - a. Cause you to sustain loss or damage; and also
 - b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (1) Any employee; or
 - (2) Any other person or organization.
2. We will not pay for loss or damage:
 - a. Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
 - b. Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph 1.), "managers" or directors:
 - (1) Whether acting alone or in collusion with other persons; or
 - (2) While performing services for you or otherwise.
 - (3) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
3. The most we will pay for loss or damage in any one occurrence is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.
4. All loss or damage:
 - a. Caused by one or more persons; or
 - b. Involving a single act or series of related acts;is considered one occurrence.
5. We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
6. This Employee Dishonesty Coverage Extension does not apply to any employee immediately upon discovery by:
 - a. You; or
 - b. Any of your partners, officers or directors not in collusion with the employee; of any dishonest act committed by that employee before or after being hired by you.
7. We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
8. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Employee Dishonesty Coverage Extension, provided:
 - a. This Employee Dishonesty Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT became effective at the time of cancellation or termination of the prior insurance; and
 - b. The loss or damage would have been covered by this Employee Dishonesty Coverage Extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.
9. The insurance under Paragraph 8. above is part of, not in addition to, the Limit of Insurance applying to this Employee Dishonesty Coverage Extension and is limited to the lesser of the amount recoverable under:
 - a. The Employee Dishonesty Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT as of its effective date; or
 - b. The prior insurance had it remained in effect.

10. With respect to the Employee Dishonesty coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, employee means:

- a. Any natural person:
 - (1) While in your service or for **30** days after termination of service;
 - (2) Who you compensate directly by salary, wages or commissions; and
 - (3) Who you have the right to direct and control while performing services for you;
- b. Any natural person who is furnished temporarily to you:
 - (1) To substitute for a permanent employee as defined in Paragraph **a.** above, who is on leave; or
 - (2) To meet seasonal or short-term work load conditions;
- c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph **b.** above;
- d. Any natural person who is a former employee, director, partner, member, "manager", representative or trustee retained as a consultant while performing services for you; or
- e. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character;
- (2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee; or
- (3) Your partners or officers.

11. Only as respects this Employee Dishonesty Coverage Extension, the following replaces **A.2.a.** Property Not Covered of the Building and Personal Property Coverage Form/Condominium Association Coverage Form:

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt or notes. Lottery tickets held for sale are not securities. "Money" or securities are also Property Not Covered, except as provided under the following Coverage Extensions of the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT:
 - (1) "Money" and "Securities";
 - (2) Employee Dishonesty;
 - (3) Forgery and Alteration; and
 - (4) "Computer Fraud".

12. Exclusion **B.2.h.** of the Causes of Loss-Special Form does not apply to this Employee Dishonesty Coverage Extension.

13. If a loss is covered both under this Employee Dishonesty Coverage Extension and by a Commercial Crime Coverage Part attached this policy, the limits of this Employee Dishonesty Coverage Extension will be excess of that Commercial Crime Coverage Part, and only the deductible applicable to that Commercial Crime Coverage Part will apply. This provision supersedes any conflicting other insurance provisions.

14. We will not pay for loss under this Employee Dishonesty Coverage Extension that is also covered under any of the following added Coverage Extension(s) providing coverage for the same loss:

- a. Money and Securities;
- b. Forgery and Alteration; or
- c. "Computer Fraud";

of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. When such loss is payable under more than one coverage, the highest limit provided by any single coverage listed above will apply to the loss; however, we will not pay more than this limit. We will not pay a combination

of the limits. This exclusion applies to loss that is not covered under the above listed Coverage Extension(s) solely due to exhaustion of limits.

15. For coverage provided under this Employee Dishonesty Coverage Extension, the following definitions are added to the Definitions section:

"Manager" means a person serving in a directorial capacity for a limited liability company.

"Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

"Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- (1) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (2) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money."

FORGERY OR ALTERATION

You may extend the insurance provided by this Coverage Form to apply to direct monetary loss you sustain resulting from Forgery or Alteration, subject to the following provisions:

1. We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
2. If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money," on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
3. For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
4. The most we will pay for any loss, including legal expenses, under this Coverage Extension is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. This Annual Aggregate limit applies no matter how many losses occur or how many buildings, locations or premises are covered by this policy.
5. Only as respects this Forgery and Alteration Coverage Extension, the following replaces **A.2.a.** Property Not Covered of the Building and Personal Property Coverage Form/Condominium Association Coverage Form:

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt or notes. Lottery tickets held for sale are not securities. "Money" or securities are also Property Not Covered, except as provided under the following Coverage Extensions of the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT:
 - (1) "Money" and "Securities";
 - (2) Employee Dishonesty;
 - (3) Forgery and Alteration; and
 - (4) "Computer Fraud".
6. If a loss is covered both under this Forgery and Alteration Coverage Extension and by a Commercial Crime Coverage Part attached this policy, the limits of this Forgery and Alteration Coverage Extension will be excess of that Forgery and Alteration Coverage provided by the Commercial Crime Coverage Part and only the deductible applicable to the Forgery and Alteration Coverage provided by the Commercial Crime Coverage Part will apply. This provision supersedes any conflicting other insurance provisions.

7. We will not pay for loss under this Forgery and Alteration Coverage Extension that is also covered under any of the following added Coverage Extension(s) providing coverage for the same loss:
- Money and Securities;
 - Employee Dishonesty; or
 - "Computer Fraud";
- of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. When such loss is payable under more than one coverage, the highest limit provided by any single coverage listed above will apply to the loss; however, we will not pay more than this limit. We will not pay a combination of the limits. This exclusion applies to loss that is not covered under the above listed Coverage Extension(s) solely due to exhaustion of limits.

"COMPUTER FRAUD" COVERAGE

You may extend the insurance provided by this Coverage Form to apply to monetary loss you sustain, resulting directly from "Computer Fraud", subject to the following provisions:

Subject to the provisions of your Commercial Property Coverage Part and the following exceptions to those provisions, under this "Computer Fraud" Coverage Extension, we will pay for loss or damage to Covered Property and "Money" and "Securities" resulting directly from "Computer Fraud" that occurs during the policy period.

1. LIMIT OF INSURANCE

The most we will pay for the sum of all loss resulting from "Computer Fraud" that occurs during the **12-month** policy period is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT . This is the "Computer Fraud" Annual Aggregate Limit. This limit applies no matter how many:

- Insureds are covered,
- "Occurrences" happen, or
- Locations, premises or buildings are covered by this policy.

2. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS: In addition to the exclusions, conditions and definitions of your Commercial Property Coverage Part, this coverage is subject to the following:

a. Additional Exclusions: We will not pay for loss as specified below:

- (1) **Inventory Shortages:** Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- An inventory computation; or
- A profit and loss computation.

- (2) **Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:

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

- (3) **Legal Expenses:** Expenses related to any legal action.

- (4) **Losses also covered under any of the following added Coverage Extension(s) providing coverage for the same loss:**

- Money and Securities;
- Employee Dishonesty; or
- Forgery and Alteration

of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. When such loss is payable under more than one coverage, the highest limit provided by any single coverage listed above will apply to the loss; however, we will not pay more than this limit. We

will not pay a combination of the limits. This exclusion applies to loss that is not covered under the above listed Coverage Extension(s) solely due to exhaustion of limits.

b. Additional Conditions

- (1) **Duties in the Event of Loss:** If you have reason to believe that any loss of, or loss from damage to Covered Property involves a violation of law, you must notify the police.
- (2) **Special Limit of Insurance for Specified Property:** We will only pay up to **\$5,000** for any one "occurrence" of loss of, and loss from damage to, "money," and/or "securities"; manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.
- (3) **Other Insurance:** If you have purchased Computer Fraud Coverage under a Commercial Crime Coverage Part that is attached to this policy, the "Computer Fraud" coverage provided under the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT is specifically excess of that Limit of Insurance provided under the Commercial Crime Coverage Part. In the event of a loss covered by both, only the deductible applicable to the Commercial Crime Coverage Part will apply.

c. Additional Definitions The following definitions apply only to this "Computer Fraud" Coverage:

- (1) **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- (2) **"Computer Fraud"** means "theft" of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the "covered premises" or "banking premises" to a person (other than a "messenger") outside those "covered premises" or to a place outside those "banking premises."
- (3) **"Messenger"** means you, any of your partners or any employee while having care and custody of the property outside the "covered premises."
- (4) **"Occurrence"** means an:
 - (a) Act or series of related acts involving one or more persons; or
 - (b) Act or event, or a series of related acts or events not involving any person.
- (5) **"Covered premises"** means the interior of that portion of any building described in the Declarations and occupied by you in the conduct of your business.
- (6) **"Theft"** means any act of stealing.
- (7) As used in this "Computer Fraud" Coverage Extension, **"Money"** means
 - (a) In current use and having a face value: Currency, coins, and bank notes.
 - (b) Held for sale to the public: Travelers checks, register checks, and money orders.
- (8) As used in this "Computer Fraud" Coverage Extension, **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - (1) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (2) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money."

d. LIMITATION AND EXCLUSION NOT APPLICABLE

- (1) **Exclusions**, Paragraph **B.2.i.** of the Causes of Loss – Special Form, does not apply to "Computer Fraud" Coverage; and
- (2) **Limitations** Paragraph **C.1.f.** of the Causes of Loss – Special Form does not apply to "Computer Fraud" Coverage.

e. CHANGES TO PROPERTY NOT COVERED

Only as respects this "Computer Fraud" Coverage Extension, the following replaces **A.2.a.** Property Not Covered of the Building and Personal Property Coverage Form/Condominium Association Coverage Form:

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt or notes. Lottery tickets held for sale are not securities. "Money" or "securities" are also Property Not Covered, except as provided under the following Coverage Extensions of the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT:
 - (1) "Money" and "Securities";
 - (2) Employee Dishonesty;
 - (3) Forgery and Alteration; and
 - (4) "Computer Fraud".

f. DISTANCE LIMITATION

For "Computer Fraud" coverage, the **1,000** feet distance limitation does not apply to covered property transferred from inside a "covered premises" or a "banking premises."

ACCOUNTS RECEIVABLE

1. You may extend the insurance that applies to Your Business Personal Property to apply to accounts receivable as described in the provisions which directly follow. We will pay:
 - (a) All amounts due from your customers that you are unable to collect;
 - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 - (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable; that result from direct physical loss or damage to your records of accounts receivable at a designated premises caused by or resulting from any Covered Cause of Loss.
2. The most we will pay under this Coverage Extension for the sum of all loss occurring during one twelve month policy period is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. This is an annual aggregate limit and applies no matter how many losses occur or how many buildings, premises or locations are insured. However, the Annual Aggregate Limit is subject to the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. Therefore, in no event will we ever pay more in any single loss than the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.
3. **B. Exclusions of the Causes of Loss – Special Form** do not apply to this Accounts Receivable Coverage Extension except for the following:
 - B.1.c. Governmental Action**
 - B.1.d. Nuclear Hazard**
 - B.1.f. War and Military Action**
 - B.2.h. Dishonesty**
 - B.2.i. False Pretense**
 - All Paragraph **B.3.** exclusions.
4. In addition, the following the exclusions apply:
 - (a) We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
 - (i) Programming errors or faulty machine instructions;
 - (ii) Faulty installation or maintenance of data processing equipment or component parts;
 But we will pay for direct loss or damage caused by lightning.
 - (b) We will not pay for:
 - (i) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.
This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (ii) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
 - (iii) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
5. Only as respects this Accounts Receivable Coverage Extension, paragraph **A.2.a.** Property Not Covered of the Building and Personal Property Coverage Form/Condominium Association Coverage Form is replaced with the following:
- 2. Property Not Covered**
Covered Property does not include:
- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities. Accounts Receivable (as defined in this Coverage Extension) is also Property Not Covered, except as provided under the Accounts Receivable Coverage Extension contained in the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT;
6. If a loss is covered both under this Accounts Receivable Coverage Extension and by an Accounts Receivable Coverage Form attached this policy, the limits of this Accounts Receivable Coverage Extension will be excess of that Accounts Receivable Coverage Form, and only the deductible applicable to that Accounts Receivable Coverage Form will apply. This provision supersedes any conflicting other insurance provisions.

FINE ARTS

1. You may extend the insurance that applies to Your Business Personal Property to apply to "Fine Arts" as described in the provisions which directly follow. We will pay for direct physical loss or damage to your "Fine Arts" arising from a Covered Cause of Loss. This "Fine Arts" Coverage is subject to all the terms, Limitations, Exclusions and Conditions of the Building and Personal Property Form, the Condominium Association Coverage Form and the Causes of Loss – Special Form except as follows:
 - (a) **B. Exclusions** of the Causes of Loss – Special Form do not apply to this coverage, except:
 - o **B.1.b., B.1.c., B.1.d., B.1.f. and B.1.g.;**
 - o **B.2.b.; B.2.d.; B.2.h.; B.2.i.; B.2.j.; B.2.l.; and B.2.m.**
 - (b) Only as respects the coverage provided under this "Fine Arts" Coverage Extension, **C. Limitations**, Paragraph **3.b.** of the Causes of Loss – Special Form does not apply to "antique" jewelry.
 - (c) Only as respects the coverage provided under this "Fine Arts" Coverage Extension, **F.1.b.**, paragraph **(3)** of the Causes of Loss – Special Form is replaced with the following:

(3) Theft by forced entry into a securely locked body or compartment of a vehicle. There must be visible marks of the forced entry.
2. We will not pay for loss or damage under this "Fine Arts" Coverage Extension resulting from any of the following:
 - (a) We do not pay for loss or damage caused by breakage, marring, or scratching of art glass windows, glassware, statuary, marble objects, bric-a-brac, porcelains, or similar fragile articles unless loss is a result of a "specified peril."
 - (b) We do not pay for loss or damage caused by processing of or work upon the covered property including repairs or restoration.
 - (c) We do not pay for any loss or damage caused by diminution of value due to gradual deterioration, fading or other loss caused by exposure to light, heat or other atmospheric or environmental conditions.
3. Only as respects the coverage provided under this "Fine Arts" Coverage Extension, the following definitions are added:
 - (a) "Antique," means an object having value because its:
 - (i) Craftsmanship is in the style or fashion of former times; and
 - (ii) Age is 100 years old or older.
 - (b) "Fine Arts" means paintings; etchings; pictures, tapestries; rare or art glass; art glass windows;

valuable rugs; statuary; sculptures; "antique" furniture; "antique" jewelry; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit. The following are not "Fine Arts:" coins and stamps; jewelry (except "antique" jewelry); precious or semi-precious stones; gold, silver, platinum or other precious metals or alloys; automobiles, or any other self-propelled vehicles designed for highway use; furs; or money.

4. The most we will pay for all direct physical loss of or damage to "Fine Arts" under this "Fine Arts" Coverage Extension in one twelve month policy period is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. This Annual Aggregate limit applies no matter how many losses occur or how many building, premises or locations we insure. However, the Annual Aggregate Limit is subject to the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. Therefore, in no event will we ever pay more in any single loss than the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.
5. If a loss is covered both under this "Fine Arts" Coverage Extension and by a Fine Arts Coverage Form attached to this policy, this "Fine Arts" Coverage Extension will be excess of the Limits of Insurance provided by the Fine Arts Coverage Form, and the deductible applicable to that Fine Arts Coverage Form will apply. This provision supersedes any conflicting other insurance provisions.

ELEVATOR COLLISION FOR PERSONAL PROPERTY OF OTHERS

You may extend the insurance that applies to the Personal Property of Others to apply direct physical loss of or damage to the Personal Property of Others caused by elevator collision, subject to the following provisions:

We will pay for direct physical loss of or damage to the Personal Property of Others in your care custody or control if:

1. The loss or damage is caused by collision of your elevator, or any property inside the elevator, with the elevator or any other objects; and
2. You are legally liable for that loss or damage.

Under this coverage, the most we will pay for any one occurrence is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

BUSINESS PERSONAL PROPERTY AT UNSPECIFIED LOCATIONS

If Business Personal Property is covered in your policy, you may extend the insurance that applies to Your Business Personal Property to apply to Business Personal Property as described in the paragraphs which directly follow. We will pay for direct physical loss or damage to Covered Business Personal Property at premises not shown in the Declarations caused by a Covered Cause of Loss to:

1. Business Personal Property of a similar type and kind to Covered Business Personal Property at described premises shown in the Declarations, including "stock" (including their containers); and
2. Similar samples of the "stock" of others.

However, coverage applies only when Covered Business Personal Property is owned, rented, leased, controlled, or used by the insured and located at a premises not shown in the Declarations.

This coverage does not apply to:

- a. Theft from an unattended vehicle except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced. This exclusion does not apply to covered property in the custody of a carrier for hire.
- b. Losses covered under:
 - (1) The Property Off-Premises Coverage Extension of the Building and Personal Property Coverage Form, including any additional coverage provided under the Property Off-Premises Coverage Extension provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT; or
 - (2) The Property In Transit Additional Coverage Extension of the Causes of Losses – Special Form,

including any additional coverage provided under the Property In Transit Additional Coverage Extension provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

- (3) The Newly Acquired Or Constructed Property Coverage Extension of the Building and Personal Property Coverage Form, including any additional coverage provided under the Newly Acquired Or Constructed Property Coverage Extension provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT; or
- (4) Any other coverage, Coverage Extension or Additional Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

The property distance limitations that appear in this policy do not apply to the coverage provided by this Business Personal Property At Unspecified Locations Additional Coverage.

LIMIT OF INSURANCE:

The most we will pay for loss or damage under this coverage for each occurrence is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, unless a higher limit is indicated by a PROTECTO-GUARD CHANGES ENDORSEMENT attached to your policy. If an occurrence involves more than one location, we will not pay more than the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT for the total of all loss or damage at all locations.

Any amount we pay is a part of, not in addition to, the Limit of Insurance applicable to the Covered Business Personal Property.

COMPUTER COVERAGE

You may extend the insurance that applies to Your Business Personal Property to apply to Covered Computer Property (defined as "Computer Hardware", "Computer Media", "Software" and "Electronic Data") as described in the provisions which directly follow.

1. We will pay for direct physical loss of or damage to your "Computer Hardware", "Computer Media", "Software" and "Electronic Data" arising from a Covered Cause of Loss while such property is located at the premises described in the Declarations.

We will also pay for similar Property of Others that you rent or lease that is in your care, custody and control while it is located at the premises described in the Declarations.

a. Limit(s) of Insurance

Under this Computer Coverage Extension, we will not pay more for the sum of all direct physical loss of or damage to Covered Computer Property (as listed below) occurring during one twelve month policy period than the amounts indicated below for each Covered Computer Property type. These Limits are annual aggregate limit(s) and apply no matter how many losses occur or how many buildings, premises or locations are insured, or the number of items of property sustaining loss.

- (1) "Computer Hardware" - **\$500,000**;
- (2) "Computer Media", "Software" and "Electronic Data" - **\$25,000**;
- (3) **Extra Expense** (as described in 2.a. of this Computer Coverage Extension) - **\$25,000**; and
- (4) **Property In Transit** or **Property Off-Premises** (as described in 2.f. of this Computer Coverage Extension) - **\$2,500**.

However, the Annual Aggregate Limit is subject to the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. Therefore, in no event will we ever pay more in any single loss than the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

b. Definitions:

As used in this Computer Coverage Extension:

- (1) "Computer Hardware" means:

- (a) Programmable electronic equipment that is used to store, retrieve and process data; and

- (b) Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer Hardware" does not include those used to operate production, processing type machinery or equipment of computers used in any type of industrial application.

- (2) "Computer Media" means processing, recording, or storage media used for electronic data processing operations. This includes films, tapes, cards, discs, drums, cartridges, or cells, but does not include "electronic data" or "software".
- (3) "Software" means computer programs which are a set of related electronic instructions and information which direct the operations and functions of a computer or device connected to it that enable the computer or device to receive, process, store, retrieve or send data or communications according to a set of specifications. "Software" does not include "electronic data".
- (4) "Electronic Data" means information, facts stored as or on, created or used on, or transmitted to or from computer "Software" (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer "Software" which are used with electronically controlled equipment. "Electronic Data" does not include Data referenced in the definition of "Software" above.

2. Under this Computer Coverage Extension, we also cover:

a. **EXTRA EXPENSE – COMPUTER HARDWARE AND MEDIA**

We will pay the necessary Extra Expenses you incur to resume or continue your "operations" that have been interrupted due to direct physical loss of or damage to Covered "Computer Hardware" or "Computer Media" caused by or resulting from a Covered Cause of Loss while located at a premises described in the Declarations. We will pay the Extra Expense you incur during the "period of restoration" that is necessary to resume or continue your operations as nearly as practicable.

We also cover Extra Expenses that you incur as a result of:

- (1) Damage caused by a Covered Cause of Loss to premises described in the Declarations that prevents you from having access or using the Covered "Computer Hardware" or "Computer Media";
- (2) Damage caused by a Covered Cause of Loss to the air conditioning or electrical system that is necessary for the operation of the "Computer Hardware" and results in a reduction or suspension of your "operations". The Covered Cause of Loss must occur within **500** feet of a premises described in the Declarations; or
- (3) An order of a civil authority that specifically denies you access to a premises described in the Declarations. The order must be as a result of direct physical loss or damage caused by a Covered Cause of Loss to the described premises or to adjacent property. This extension is limited to two consecutive weeks from the date of the order. Any amount we pay is included in and does not increase the Limit of Insurance shown on the first page of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT for Computer Coverage.

Only as used in this Extra Expense provision, "operations" means your normal "electronic data" processing operations occurring at premises described in the Declarations.

The most we will pay for Extra Expense under this Computer Coverage Extension is **\$25,000**. This limit is included in and is not in addition to any amount we pay for Extra Expense under the Business Income With Extra Expense Coverage Form, if such coverage is included in your policy.

b. **DEBRIS REMOVAL**

Only as respects the coverage provided by this Computer Coverage Extension, the Debris Removal Additional Coverage (and any additional limit for Debris Removal under a Limit Of Insurance clause or an endorsement) provided elsewhere in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT does not apply. The following applies instead:

DEBRIS REMOVAL – COMPUTER HARDWARE AND MEDIA

- (1) We will pay your expense to remove debris of Covered Computer Property from a premises described in the Declarations, when such debris is caused by or results from direct physical loss

of or damage to Covered "Computer Hardware" and "Computer Media" caused by or resulting from a Covered Cause of Loss.

- (2) We will not pay more under this Computer Coverage Debris Removal Extension than **25%** of the amount we pay for direct physical loss of or damage to Covered Computer Property. Any amount we pay under this provision is included in and is not in addition to the Limit of Insurance indicated in paragraph **1.a.(1)** and **1.a.(2)** of this Computer Coverage Extension.
- (3) We will not pay for Debris Removal Expenses unless a written report of such loss is received by us within **180** days of the date of direct physical loss or damage to the Covered Computer Property.

c. NEWLY ACQUIRED LOCATIONS – COMPUTER HARDWARE AND MEDIA

With respect to the coverage provided by this Computer Coverage Extension, the Newly Acquired Or Constructed Property – Your Business Personal Property Coverage Extension provided elsewhere in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT does not apply. The following applies instead:

NEWLY ACQUIRED LOCATIONS – COMPUTER HARDWARE AND MEDIA

If you acquire new locations that includes additional "Computer Hardware" and "Computer Media", we will pay for direct physical loss of or damage to such Covered Computer Property caused by or resulting from a Covered Cause of Loss at these newly acquired locations for up to **60** days from the date of acquisition or until you report the new location to us, whichever occurs first. However, this **60**-day period does not extend beyond the expiration date of your policy.

We will pay up to **\$25,000** at each new location. Any amount we pay under this provision is included in and is not in addition to the Limit of Insurance indicated in paragraph **1.a.(1)** and **1.a.(2)** of this Computer Coverage Extension.

d. PRESERVATION OF COMPUTER PROPERTY

With respect to the coverage provided by this Computer Coverage Extension, the Preservation of Property Additional Coverage provided elsewhere in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT does not apply. The following applies instead:

PRESERVATION OF COMPUTER PROPERTY

We will pay for direct physical loss of or damage to Covered "Computer Hardware" and "Computer Media" while it is being moved to another location in order to prevent a loss or damage by a Covered Cause of Loss. We will pay for direct physical loss of or damage to Covered "Computer Hardware" and "Computer Media" caused by a Covered Cause of Loss. Additionally, this coverage applies for up to **ten** days after the property is first moved to the new location, but does not extend past the date on which this policy expires.

This is not additional insurance. Any amount we pay under this provision is included in and is not in addition to the Limit of Insurance indicated in paragraph **1.a.(1)** and **1.a.(2)** of this Computer Coverage Extension.

e. DUPLICATE "COMPUTER MEDIA"

We will pay for direct physical loss of or damage to "Computer Media" that contain duplicates or back-up copies of "Software" and "Electronic Data" used in your business operations and caused by or resulting from a Covered Cause of Loss while stored at a premises not described in the Declarations, provided that such "Computer Media" is not covered under any other coverage form. Each storage location must be a separate building located at least **100** feet away from a premises described in the Declarations.

The most we pay for loss to such "Computer Media" at any one storage location is **\$25,000**. This is not additional insurance. Any amount we pay under this provision is included in and is not in addition to the Limit of Insurance indicated in paragraph **1.a.(1)** and **1.a.(2)** of this Computer Coverage Extension.

f. COMPUTER PROPERTY IN TRANSIT AND OFF-PREMISES

With respect to the coverage provided by this Computer Coverage Extension, the Property In

Transit Additional Coverage Extension and Property Off-Premises Coverage Extension provided elsewhere in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT does not apply. The following applies instead:

"COMPUTER HARDWARE" AND "COMPUTER MEDIA" WHILE IN TRANSIT AND OFF-PREMISES

We will pay for direct physical loss of or damage to Covered "Computer Hardware" and "Computer Media" caused by a Covered Cause of Loss while:

- a. In transit to or from the described premises; or
- b. At a location that is not described in the Declarations.

The most we will pay under this Computer Coverage Extension for "Computer Hardware" and "Computer Media" while In Transit and Off-Premises is **\$2,500**. This is not additional insurance.

g. LOSS CAUSED BY VIRUS

We will pay the expenses you incur to repair, replace or restore "Software" and "Electronic Data" that has suffered loss or damage caused by an electronic virus, harmful programming code or similar instruction introduced into or enacted on a computer system or a network to which it is connected that was designed to damage or destroy any part of the system or disrupt its normal operation by erasure, corruption or infection of the "Software" or "Electronic Data".

To the extent that "Software" or "Electronic Data" is not replaced or restored, the loss will be valued at the cost of replacement of the "Computer Media" on which the "Software" or "Electronic Data" was stored, with blank "Computer Media" of substantially identical type.

However, we will not pay for expenses you incur, loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any insured, any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

The most we will pay under this Computer Coverage Extension for LOSS CAUSED BY VIRUS is **\$2,500** for all expenses you incur, loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began. This is not additional insurance.

The Limits of Insurance provided under the above paragraphs **2.a.** through **2.g.** are included in and do not increase the Limit(s) of Insurance for each coverage shown on the first page of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT for the Computer Coverage Extension and indicated in paragraph **1.a.**, as applicable, of this Computer Coverage Extension.

3. DEDUCTIBLE

The Deductible that applies to this Computer Coverage Extension is the Deductible applicable to Business Personal Property shown in the Declarations, unless a different deductible is indicated in the PROTECTO-GUARD CHANGES ENDORSEMENT attached to your policy.

4. PROPERTY NOT COVERED

For the purpose of the coverage provided by this Computer Coverage Extension, the following is added to **A.2.** Property Not Covered of the Building and Personal Property Form and the Condominium Association Coverage Form:

- a. "Computer Hardware" and "Computer Media" (including associated "Software" and "Electronic Data") which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer hardware" or "computer media" while held as "stock".
- b. Property that you loan, lease or rent to others.
- c. "Stock" you hold for sale, unless indicated otherwise in the coverage that follows.
- d. Money, securities, notes, currency, stamps, food stamps, and lottery tickets or their representations,

EFT (electronic fund transfers) or other such monetary transactions, including while in the course of transmission by electronic means.

5. EXCLUSIONS

This Computer Coverage Extension is subject to all the terms, Limitations, Exclusions and Conditions of the Building and Personal Property Form, the Condominium Association Coverage Form, the Business Income (And Extra Expense), the Business Income (Without Extra Expense) and the Causes of Loss – Special Form, amended as follows:

a. **B. Exclusions** of the Causes of Loss – Special Form do **not** apply to this coverage, except:

- o **B.1.a., B.1.b., B.1.c., B.1.d., B.1.f. and B.1.g.;**
- o **B.2.a., B.2.b., B.2.d., B.2.h., B.2.i., B.2.j., B.2.l., B.2.m;** and
- o **B.3.b., B.4.a.(3) and B.4.a.(4).**

b. The following are added:

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

(1) Electrical Disturbance

Electrical or magnetic damage, or disturbance or derangement of electronic recordings, corruption or erasure of electronic recordings or documents;

(2) Utility Supply Interruption

Interruption of power supply, power surge, blackout, or brownout

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

(a) Originates away from the described premises; or

(b) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

(3) Lease Provisions

Any loss for which you are not legally responsible under the terms of a contract, lease or rental agreement.

(4) Virus or Other Harmful Programming Code

Loss, damage or expense incurred caused by or resulting from a virus, harmful programming code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected that has been designed to damage or destroy any part of the system or disrupt its normal operation, except as provided in paragraph **2.g. LOSS BY COMPUTER VIRUS** of the Computer Coverage Extension.

This exclusion also includes loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

AMENDMENTS TO C. LIMITS OF INSURANCE

SIGNS ATTACHED TO BUILDINGS

The following paragraph is deleted from section **C. Limits of Insurance**:

"The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT per sign in any one occurrence."

AMENDMENTS TO D. DEDUCTIBLE

The following replaces **D. Deductible**:

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence for each element of property that is rated on a blanket basis or that is listed as a separate location on the policy.

1. SINGLE LOCATION POLICIES:

Except in cases where Paragraph 2. below applies, coverages provided under the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT are subject to the deductibles shown in the Commercial Property Declarations and applied in accordance with the illustrations in paragraph D, unless a different deductible is specified as applicable to a particular coverage within the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT or a PROTECTO-GUARD Change Endorsement attached to your policy.

Example No. 1:

(This example assumes there is no coinsurance penalty.)

Deductible: \$	250
Limit of Insurance – Bldg. 1: \$	60,000
Limit of Insurance – Bldg. 2: \$	80,000
Loss to Bldg. 1: \$	60,100
Loss to Bldg. 2: \$	90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$	60,100
–	250
\$	59,850 Loss Payable – Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + 80,000 = \$139,850

Example No. 2:

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1: \$	70,000
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(exceeds Limit of Insurance plus Deductible)
 Loss to Bldg. 2: \$ 90,000 (exceeds
 Limit of Insurance plus Deductible)
 Loss Payable – Bldg. 1: \$60,000
 (Limit of Insurance)
 Loss Payable – Bldg. 2: \$80,000
 (Limit of Insurance)
 Total amount of loss payable:
 \$140,000

MULTIPLE LOCATION POLICIES OR POLICIES RATED ON A BLANKET BASIS:

The above Example(s) No. 1 and No. 2 do not apply when Covered Property is damaged in the same occurrence at multiple Locations insured under the same policy or when Blanket Limits of Insurance apply. Instead, the Deductible will apply once to loss payable at Each Location.

Example No. 3: Applying to Loc. 1 on the policy
 (This example assumes there is no coinsurance penalty.)
 Deductible: \$ 250
 Limit of Insurance – Loc. 1 Bldg. 1: \$ 60,000
 Limit of Insurance – Loc. 1 Bldg. 2: \$ 80,000
 Loss to Loc. 1 Bldg. 1: \$ 60,100
 Loss to Loc. 1 Bldg. 2: \$ 90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Loc. 1 Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Loc. 1 Bldg. 1:
 \$ 60,100
 – 250
 \$ 59,850 Loss Payable – Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Loc. 1 Bldg. 2. Loss payable for Loc. 1 Bldg. 2 is the Limit of Insurance of \$80,000.
 Total amount of loss payable: \$59,850 + 80,000 = \$139,850 for Loc. 1, Bldg(s).1 and 2

Example No. 4, Applying to Loc. 2 on the same policy

Deductible: \$ 250
 Limit of Insurance – Loc. 2 Bldg. 1: \$ 60,000
 Limit of Insurance – Loc. 2 Bldg. 2: \$ 80,000
 Loss to Loc. 2 Bldg. 1: \$ 60,100
 Loss to Loc. 2 Bldg. 2: \$ 90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Loc. 2 Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Loc. 2 Bldg. 1:
 \$ 60,100
 – 250
 \$ 59,850 Loss Payable – Loc. 2 Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Loc. 2 Bldg. 2. Loss payable for Loc. 2 Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: $\$59,850 + 80,000 = \$139,850$ for Loc. 2 Bldg(s). 1 and 2 Total Loss Payment for Location(s) 1 and 2 = $\$139,850 + \$139,850 = \$279,700$

Example No. 5, for policies rated on a Blanket Basis

When Blanket Limits apply (assume for Example 5 that Locs. 1 and 2 have a Blanket Limit of \$500,000, and that the other information set out in Examples No. 1-4 for these properties apply).

Deductible: \$	250
Loss to Loc. 1 Bldg. 1:	\$ 60,100
Loss to Loc. 1 Bldg. 2:	\$ 90,000
Loss to Loc. 2 Bldg. 1:	\$ 60,100
Loss to Loc. 2 Bldg. 2:	\$ 90,000

The combined losses to the four buildings subject to the Blanket Limit are less than the Blanket Limit. Hence, only one deductible can be taken, and the losses can be paid as follows:

Loss to Loc. 1 Bldg. 1:	\$ 60,100 less 250 = 59,850.
Loss to Loc. 1 Bldg. 2:	\$ 90,000 (no deductible)
Loss to Loc. 2 Bldg. 1:	\$ 60,100 (no deductible)
Loss to Loc. 2 Bldg. 2:	\$ 90,000 (no deductible)

AMENDMENT TO THE CAUSES OF LOSS – SPECIAL FORM

The following modifies insurance provided under the Causes of Loss Special Form:

AMENDMENTS TO THE PROPERTY DISTANCE EXTENSION

The following amends the coverage provided under the Causes of Loss – Special Form:

PROPERTY DISTANCE EXTENSION

In each instance where it appears in the form, the property distance limitation of 100 feet is changed to **1,000** feet. Loss payment under this Additional Coverage will not increase the applicable Limit of Insurance.

ADDITIONS TO ADDITIONAL COVERAGES – CAUSES OF LOSS – SPECIAL FORM

The following amendments apply to **ADDITIONAL COVERAGES** of the **CAUSES OF LOSS – SPECIAL FORM**.

As used in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, Limited Additional Coverages means:

1. The Limits of Insurance provided by the coverages in the following section are limited to the amount shown in the Table of Coverages and only to the extent as specified in each Limited Additional Coverage provision; and
2. No other coverage provided in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT contributes Limits in addition to the Limited Additional Coverages described in this section.

The following are added as **ADDITIONAL COVERAGES**:

ADDITIONAL COVERAGE – EARTHQUAKE AND VOLCANIC ERUPTION LIMITED ADDITIONAL COVERAGE

- A. This EARTHQUAKE AND VOLCANIC ERUPTION LIMITED ADDITIONAL COVERAGE applies to the Covered Property for which a Limit of Insurance is shown in the Declarations.
- B. **Limited Additional Coverage**
 1. Subject to the terms contained in this Earthquake and Volcanic Eruption provision, Earthquake and Volcanic Eruption Limited Additional Coverage as described immediately below are provided. As used in this coverage provision, Earthquake and Volcanic Eruption means:
 - a. Earthquake, and
 - b. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

2. We will pay for loss or damage caused by or resulting from Earthquake and Volcanic Eruption as defined in paragraph 1. above. As used in this Limited Additional Coverage, the term loss or damage means direct physical loss or damage to Covered Property caused by the causes described in paragraph 1. above, including the cost of removal of the debris resulting from the loss or damage to the Covered Property.

If a Business Income and Extra Expense or Business Income Without Extra Expense Coverage Form is attached to your policy, we will also pay for your actual loss of income (and extra expense if applicable) arising out of the direct physical loss of or damage to Covered Property caused by or resulting from Earthquake and Volcanic Eruption.

3. All Earthquake shocks or Volcanic Eruptions that occur within any **168**-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

C. Exclusions, Limitations And Related Provisions

1. To the extent that the Earth Movement Exclusion in the Causes of Loss – Special Form might conflict with coverage provided under this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, the Earth Movement Exclusion does not apply.
2. The Exclusions and Limitation(s) sections of the Causes of Loss - Special Form apply to Earthquake and Volcanic Eruption Limited Additional Coverage provided by the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, except as provided in **a.** and **b.** immediately below:
 - a. The Earth Movement Exclusion in the Causes of Loss - Special Form does not apply to Earthquakes and Volcanic Eruptions otherwise covered by this Earthquake and Volcanic Eruption Limited Additional Coverage provided by the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.
 - b. The exclusion of collapse, in the Causes of Loss-Special Form does not apply to collapse caused by Earthquakes or Volcanic Eruptions otherwise covered by this Earthquake and Volcanic Eruption Limited Additional Coverage provided by the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.
3. The Additional Coverage – Collapse, in the Causes of Loss – Special Form does not apply to collapse caused by Earthquake and/or Volcanic Eruption.
4. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earthquake or Volcanic Eruption.
5. We will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.
6. The Ordinance Or Law Exclusion in the Causes of Loss – Special Form continues to apply with respect to any loss under this Coverage Part including any loss under this Earthquake and Volcanic Eruption Limited Additional Coverage provided by the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, unless Ordinance Or Law Coverage is added by a separate endorsement.
7. We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Property Damage Deductible applicable to this Earthquake and Volcanic Eruption Limited Additional Coverage provided by the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

This limitation does not apply if less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).

This limitation (**C.7.**) does not apply if:

- a. The Declarations indicate that the "Including Masonry Veneer" option applies; or
 - b. Less than **10%** of the total outside wall area is faced with masonry veneer (excluding stucco).
8. Any loss or damage to land, and/or any cost arising out of the need to restore or remediate land is

excluded. Land is not covered property, nor is the cost of excavations, grading, backfilling or filling.

9. The Additional Coverage - Earthquake and Volcanic Eruption Limited Additional Coverage provided by the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT is not a "specified cause of loss."

D. No Coinsurance

The Coinsurance Condition in this policy, if any, does not apply to Earthquake and Volcanic Eruption Limited Additional Coverage.

Various Coverage Extensions in the Commercial Property Coverage Part require coinsurance. The coinsurance requirement for such Coverage Extensions is eliminated with respect to coverage provided under Earthquake and Volcanic Eruption Limited Additional Coverage.

E. Limits

As respects Earthquake and Volcanic Eruption Limited Additional Coverage provided by the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, the following replaces the Limits of Insurance sections in the applicable coverage forms:

The term Limit of Insurance means the Limit of Insurance applicable to Earthquake – Volcanic Eruption Limited Additional Coverage shown on the first page of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT or on an Earthquake – Volcanic Eruption Coverage Schedule attached to your policy.

1. Blanket Annual Aggregate Limit

Subject to **E.3.** below, the Blanket Annual Aggregate Limit of Insurance applicable to Earthquake and Volcanic Eruption Limited Additional Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT Blanket Annual Aggregate.

This is a Blanket Annual Aggregate limit and applies no matter how many:

- a. Locations, premises, or buildings covered, or
- b. Types of coverage (such as Building, Business Personal Property, Business Income, Ordinance or Law, etc.) included in your policy are involved in a single Earthquake or Volcanic Eruption.

As used in this provision, Blanket Annual Aggregate Limit means that the the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT is the most we will pay for the total of **all** loss or damage to Buildings and Business Personal Property (including any loss of income payable under the Business Interruption with or without Extra Expense Coverage Form(s) if attached to your policy) caused by Earthquake and/or Volcanic Eruption in a **12-month** period (starting with the beginning of the present annual policy period), even if there is more than one Earthquake and/or Volcanic Eruption during that period of time. Therefore, if the first Earthquake or Volcanic Eruption does not exhaust the Limit of Insurance, then only the balance of that Limit is available for a subsequent Earthquake(s) and/or Volcanic Eruption(s), should they also occur within the 12-month policy period.

If a single Earthquake or Volcanic Eruption (as defined in Section **A.** of this coverage) begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance applicable to the following annual policy period will not apply to such Earthquake or Volcanic Eruption.

2. Additional Coverages, Coverage Extensions and Endorsements

Amounts payable under Additional Coverages, Coverage Extensions or endorsements (except endorsements specifically providing additional Earthquake and Volcanic Eruption Coverage limits) attached to your policy do not increase the Blanket Annual Aggregate Limit of Insurance for Earthquake And Volcanic Eruption Limited Additional Coverage described in paragraph **E.1.** above and provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. However, this Blanket Annual Aggregate Limit of Insurance is subject to paragraph **E.3.** below.

3. Limitation For Covered Property

We will not pay more for direct physical loss of or damage to Covered Property in any single occurrence than we would pay in the absence of the Earthquake and Volcanic Eruption Blanket Annual Aggregate Limit. Therefore, the maximum amount payable for Covered Property is the Limit of Insurance or stated value (as shown in a Statement of Values on file with us) specific to that Building or Business Personal Property for fire losses shown in the Declarations.

4. Ensuing Loss

If a Cause of Loss (such as fire) is covered by means of an exception to the Earth Movement Exclusion in the Causes of Loss Form, we will also pay for the loss or damage caused by that other Covered Cause of Loss. But the most we will pay for the total of all loss or damage caused by the Earthquake, Volcanic Eruption and that other Covered Cause of Loss is the Limit of Insurance applicable to such other Covered Cause of Loss. We will not pay the sum of the two Limits. We will not pay more for the Earthquake and Volcanic Eruption portion of the loss than the Earthquake and Volcanic Eruption Limited Additional Coverage Limit of Insurance shown on the first page of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

Examples – Ensuing Loss

Two examples follow, using these facts: The Commercial Property Coverage Part, in these examples, includes the Causes of Loss – Basic Form (which covers fire) and this Earthquake and Volcanic Eruption Limited Additional Coverage.

- A building is damaged by Earthquake, and by Fire which is caused by the Earthquake.
- The value of the damaged building is \$1,000,000.
- The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000.
- The Limit of Insurance for Earthquake – Volcanic Eruption is \$400,000.
- The Earthquake Deductible amount is \$50,000.

Example #1

The damage due to Earthquake is \$500,000.

The damage due to Fire is \$500,000.

Payment for Earthquake damage is \$400,000 (\$500,000 damage minus \$50,000 Earthquake deductible = \$450,000; Limit is \$400,000)

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Earthquake Limit)

Total Loss Payment is \$800,000.

Example #2

The damage due to Earthquake is \$800,000.

The damage due to Fire is \$100,000.

Payment for Earthquake damage is \$400,000 (\$800,000 damage minus \$50,000 Earthquake deductible = \$750,000; Limit is \$400,000)

Payment for Fire damage is \$100,000 (amount of damage)

Total Loss Payment is \$500,000.

5. Business Income, Extra Expense and Actual Loss Sustained

The Actual Loss Sustained Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT does not apply to the Earthquake and Volcanic Eruption Limited Additional Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

F. Property Damage Deductible

Only as respects the coverage provided in this EARTHQUAKE AND VOLCANIC ERUPTION LIMITED ADDITIONAL COVERAGE, the Deductible section in the Building and Personal Property Coverage Form is replaced with the following:

1. The Deductible provisions apply to each Earthquake or Volcanic Eruption as defined in **B.3.** of this Earthquake or Volcanic Eruption Limited Additional Coverage and ensuing loss;
2. The Deductible for Earthquake and Volcanic Eruption Limited Additional Coverage is **\$10,000.**

3. Separate Deductibles apply to: each building, personal property at each building and personal property in the open. Deductibles are applied separately even if:
 - a. Two or more buildings sustain loss or damage;
 - b. Personal property at two or more buildings sustains loss or damage; and/or
 - c. A building and the personal property in that building sustain loss or damage.
4. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance.
5. If there is loss or damage caused by Earthquake or Volcanic Eruption, and loss or damage caused by a Cause of Loss (e.g. fire) that is covered by means of an exception to the Earth Movement Exclusion in the Causes of Loss – Special Form, then only the Earthquake and Volcanic Eruption Deductible provisions provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT apply.
6. Earthquake and Volcanic Eruption Limited Additional Coverage Deductibles provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT are applicable to all Coverage Forms attached to this Coverage Part except:
 - a. Business Income (And Extra Expense) Coverage Form;
 - b. Business Income (Without Extra Expense) Coverage Form; and
 - c. Extra Expense Coverage Form.

G. Limitation to Designated Buildings, Locations and Premises

Earthquake and Volcanic Eruption Limited Additional Coverage applies only at buildings, locations and premises scheduled for property coverage in the Declarations.

Earthquake and Volcanic Eruption Limited Additional Coverage does not apply to the **Newly Acquired or Constructed Property Coverage Extension** or to the **Business Personal Property At Unspecified Locations Coverage Extension**.

H. Other Insurance Condition

The following is added to the Other Insurance section of the Commercial Property Conditions:

You may purchase Earthquake and Volcanic Eruption Insurance in excess of the amount(s) provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. Excess Earthquake and Volcanic Eruption insurance will not be considered other insurance, nor shall it be considered in the application of any pro-rata liability.

ADDITIONAL COVERAGE – FLOOD AND/OR MUDSLIDE LIMITED ADDITIONAL COVERAGE (COVERAGE APPLIES ONLY IN ZONES C AND X)

- A. Coverage under this Flood and/or Mudslide Limited Additional Coverage applies ONLY to loss or damage occurring at premises listed for property coverage in the Designation of Premises Schedule and which are within:
 - i. Flood Zones C or X; or
 - ii. Flood Zone B, but only if the loss occurs at a premises listed in the Flood Zone B Schedule of the PROFLOSCHE form or
 - iii. Flood Zone D, but only if the loss occurs at a premises listed in the Flood Zone D Schedule of the PROFLOSCHE form.

References to Zones B, C, D, and X throughout the section which follows refer to Flood Map Zones established by the Federal Emergency Management Agency (FEMA) Mitigation Directorate's administration of the National Flood Insurance Program (NFIP). Should the boundaries of Zone(s) B, C, D, and/or X be revised under the NFIP during the policy period, such that the insured's premises is reassigned to a zone outside Zone(s) B, C, D, or X, coverage under this Flood and/or Mudslide Limited Additional Coverage will continue until the expiration date of your policy.

- B This Flood and/or Mudslide Limited Additional Coverage applies to the Covered Property for which a Limit of Insurance is shown in the Declarations.

- C. Subject to the provisions of this Flood and/or Mudslide Limited Additional Coverage section, Flood and/or Mudslide as described immediately below are provided:
1. Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas due to:
 - a. Surface water, waves, tides, tidal waves, overflow of any body of water or their spray all whether driven by wind or not.
 - b. The overflow of inland or tidal waters;
 - c. The unusual or rapid accumulation or runoff of surface waters from any source; or
 2. Mudslide or mudflow which are caused by flooding as defined in **C.1.(c)** above. For the purposes of this Flood and/or Mudslide Limited Additional Coverage, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.

All flooding in a continuous or protracted event will constitute a single flood.

Coverage provided by this Flood and/or Mudslide Limited Additional Coverage applies only to losses occurring in NFIP Zones C and X.

- D. We will pay for loss or damage to Covered Property caused by or resulting from Flood and/or Mudslide as defined in paragraph **C.** above at the location(s) shown in the Declarations. As used in this Flood and/or Mudslide Limited Additional Coverage, the term loss or damage means direct physical loss of or damage to Covered Property caused by the causes described in paragraph **C.** above, including the cost of removal of the debris resulting from the loss or damage to the Covered Property.

If a Business Income and Extra Expense or Business Income Without Extra Expense Coverage Form is attached to your policy, we will also pay for your loss of income (and extra expense if applicable) arising out of the loss or damage by Flood and/or Mudslide to Covered Property.

We will not pay for loss or damage caused by or resulting from any Flood and/or Mudslide that begins before the inception of this insurance.

E. EXCLUSIONS, LIMITATIONS AND RELATED PROVISIONS

1. The Additional Coverage – Collapse, in the Causes of Loss – Special Form does not apply to collapse caused by Flood and/or Mudslide as defined in this Flood and/or Mudslide Limited Additional Coverage of the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.
2. The following exclusions and limitations are added and apply to the Flood and/or Mudslide Limited Additional Coverage provided in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT:

If the Flood is due to the overflow of inland or tidal waters, then the Flood is considered to begin when the water first overflows its banks.

- a. We will not pay for loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.
- b. Under this Coverage Part, as set forth under Property Not Covered in the Building and Personal Property Coverage Form to which this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this Flood and/or Mudslide Limited Additional Coverage in this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT does not include the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from Flood and/or Mudslide.

However, coverage under this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT includes damage to the covered portions of the building and to covered personal property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause Flood.

Even if a PROTECTO-GUARD CHANGE ENDORSEMENT is attached to your policy providing coverage for excavations, grading, backfilling or filling, then the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from Flood and/or Mudslide is

- not covered under this Flood and/or Mudslide Limited Additional Coverage.
- c. We do not cover loss or damage by Flood to personal property in the open except to the extent that such coverage, if any, is specified in the Flood Coverage Schedule or in the Declarations.
 - d. Property Not Covered in the Building and Personal Property Coverage Form to which this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT is attached, is amended and supplemented as follows only with respect to Flood and/or Mudslide Limited Additional Coverage:
 - (1) Property Not Covered includes any building or other property that is not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq. and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 et seq.
 - (2) Property Not Covered includes boat houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.
 - (3) If bulkheads, pilings, piers, wharves, docks, or retaining walls that are not part of a building have been removed from Property Not Covered and added as Covered Property by separate endorsement, this Flood and/or Mudslide Limited Additional Coverage does not apply to such property.
 - (4) The following are removed from Property Not Covered and are therefore Covered Property:
 - (a) Foundations below the lowest basement floor or the subsurface of the ground; and
 - (b) Underground pipes, flues and drains.
 - e. We will not pay for loss or damage caused by sewer back-up or overflow under this Additional Coverage – Flood or Mudslide Limited Additional Coverage unless such back-up or overflow results from Flood and occurs within **72** hours after the flood recedes.
 - f. The Additional Coverage - Flood and/or Mudslide Limited Additional Coverage provided here is not a "specified cause of loss."

F. Additional Coverages And Coverage Extensions

Other than as provided in **F.2.** below, the following applies to all Additional Coverages and Coverage Extensions provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, the Causes of Loss – Special Form, the Building and Personal Property Coverage Form or the Condominium Association Coverage Form:

- 1. Amounts payable under Additional Coverages, Coverage Extensions (except endorsements specifically providing additional Flood and/or Mudslide Coverage limits) of this endorsement or any Coverage Form included in your policy, do not increase the Limit of Insurance for Flood and/or Mudslide Limited Additional Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.
- 2. With respect to Flood and/or Mudslide Limited Additional Coverage, the Debris Removal Additional Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT (and any additional limit for Debris Removal under a Limit Of Insurance clause or an endorsement) does not apply and is replaced with the following:

DEBRIS REMOVAL

- a. We will pay your expense to remove debris of Covered Property, when such debris is caused by or results from Flood and/or Mudslide. However, we will not pay to remove deposits of mud or earth from the grounds of the described premises.
- b. We will also pay the expense to remove debris of Covered Property that has floated or been hurled off the described premises by Flood and/or Mudslide.
- c. This coverage for Debris Removal, as set forth in **F.2.a.** and **F.2.b.** above, does not increase the applicable Limit of Insurance for Flood and/or Mudslide Additional Coverage. Therefore, the most we will pay for the total of debris removal and direct physical loss of or damage to Covered Property, plus any loss of income payable arising out of the loss to Covered Property, is the Limit of Insurance for Flood and/or Mudslide Limited Additional Coverage shown on the first page of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT or

on a Flood Schedule attached to your policy that applies to the Covered Property at the affected described premises.

3. With respect to Flood and/or Mudslide Limited Additional Coverage, the Coverage Extension for Newly Acquired or Constructed Property and Business Personal Property at Unspecified Locations does not apply.
4. Various Coverage Extensions, in the Building and Personal Property Coverage Form to which this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT is attached, require coinsurance. If the No-Coinsurance Option applies, then the coinsurance requirement for such Coverage Extensions is eliminated.
5. **Business Income, Extra Expense and Actual Loss Sustained**
The Actual Loss Sustained Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT does not apply to the Flood and/or Mudslide Limited Additional Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

G. Limit of Insurance

1. Application Of Limit And Blanket Annual Aggregate

The amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT for Flood and/or Mudslide Limited Additional Coverage is the most we will pay during any **12-month** period, no matter how many:

- a. Locations, premises, buildings; or
- b. Types of coverage (such as Building, Business Personal Property, Business Income, Ordinance or Law, etc.);

that occur during that **12-month** policy period.

The Blanket Annual Aggregate Limit of Insurance is the most we will pay for the total of all loss or damage to covered:

(1) Buildings; and

(2) Business Personal Property;

including associated

- i. Debris Removal expense; and
- ii. Loss of Income (if Business Income with or without Extra Expense Coverage Form(s) are attached to your policy);

that is caused by Flood and/or Mudslide in a **12-month** period (starting with the beginning of the present annual policy period), even if there is more than one occurrence of Flood and/or Mudslide during that period of time. If there is more than one Flood and/or Mudslide in a **12-month** period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by Flood and/or Mudslide is the amount shown as the Blanket Annual Aggregate Limit of Insurance for Flood and/or Mudslide Additional Coverage shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. Should the first Flood and/or Mudslide event not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for a subsequent Flood(s) and/or Mudslide(s) that occur during the **12-month** policy period.

If a single occurrence of Flood and/or Mudslide event begin during one annual policy period and end during the following annual policy period, any Annual Aggregate Limit of Insurance applicable to the following annual policy period will **not** apply to that Flood and/or Mudslide loss.

3. Ensuing Loss

Under the Flood and/or Mudslide Limited Additional Coverage, we will not pay for loss or damage by fire, explosion or sprinkler leakage. Coverage for Fire, Explosion or Sprinkler Leakage ensuing Flood and/or Mudslide is provided by the Special Causes of Loss form under the exception to Exclusion B.1.g.

If a Flood and/or Mudslide is covered under this endorsement and an ensuing Fire, Explosion or Sprinkler Leakage loss is covered under the Causes of Loss Special Form by means of an exception

to Exclusion **B.1.g.**, the most we will pay for the total of **all** loss or damage caused by the Flood and/or Mudslide and the Fire, Explosion and/or Sprinkler Leakage is the Limit of Insurance applicable to the Fire, Explosion and/or Sprinkler Leakage. We will not pay the sum of the limits for Fire, Explosion and Sprinkler Leakage and Flood and/or Mudslide. We will not pay more for the Flood and/or Mudslide portion of the loss than the Flood and/or Mudslide Limited Additional Coverage Limit of Insurance provided by this endorsement. In the event of covered ensuing loss, for example, loss caused by Fire, Explosion and/or Sprinkler Leakage which results from the Flood and/or Mudslide, the most we will pay, for the total of all loss or damage caused by flood and/or mudslide, fire, explosion and sprinkler leakage, is the Limit of Insurance applicable to Fire.

EXAMPLES – ENSUING LOSS

Two examples follow, using these facts: The Commercial Property Coverage Part, in these examples, includes the Causes of Loss – Basic Form (which covers fire) and this Flood and/or Mudslide Coverage. A building is damaged by Flood and by Fire which is caused by the Flood. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000. The Limit of Insurance for Flood is \$400,000. The Flood Deductible amount is **\$10,000**.

EXAMPLE #1

The damage due to Flood is \$500,000. The damage due to Fire is \$500,000.

Payment for Flood damage is \$400,000 (\$500,000 damage minus **\$10,000** Flood deductible = \$490,000; Limit is \$400,000)

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Flood Limit)

Total Loss Payment is \$800,000.

EXAMPLE #2

The damage due to Flood is \$800,000. The damage due to Fire is \$100,000.

Payment for Flood damage is \$400,000 (\$800,000 damage minus **\$10,000** Flood deductible = \$790,000; Limit is \$400,000)

Payment for Fire damage is \$100,000 (amount of damage)

Total Loss Payment is \$500,000.

Note: These Examples are given only to illustrate the situation of flood and ensuing loss. Therefore, the loss payment stated for flood damage does not address the situation where another policy also covers the flood damage.

H. Deductible

1. The Deductible for coverage provided under this Flood and/or Mudslide Limited Additional Coverage is the Deductible applicable to Flood and/or Mudslide as shown in the Flood Coverage Schedule or in the Declarations as applicable to the Covered Property.
2. We will not pay that part of the loss that is attributable to any Deductible(s) in the National Flood Insurance Program policy.
3. If Flood and/or Mudslide results in another Covered Cause of Loss and if both Covered Causes of Loss cause loss or damage, then only the higher deductible applies (e.g., the Flood deductible or the Fire deductible).
4. Deductibles described in Paragraph **5.** immediately below are applicable to all Coverage Forms extending coverage to this Flood and/or Mudslide Limited Additional Coverage except:
 - a. Business Income (And Extra Expense) Coverage Form;
 - b. Business Income (Without Extra Expense) Coverage Form; and
 - c. Extra Expense Coverage Form.
5. The Deductible section in the Building and Personal Property Coverage Form is replaced by the following, but only with respect to Flood and/or Mudslide and ensuing loss:
 - a. The Deductible provisions apply to each Flood and/or Mudslide loss.
 - b. The Deductible for Flood and/or Mudslide is **\$10,000**.
 - c. Separate Deductibles apply to: each building, personal property at each building and personal

property in the open. Deductibles are applied separately even if:

- (1) Two or more buildings sustain loss or damage;
 - (2) Personal property at two or more buildings sustains loss or damage; and/or
 - (3) A building(s) and personal property sustain loss or damage.
- d. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance.
 - e. If in one occurrence, there is loss or damage caused by Flood and/or Mudslide and loss or damage caused by a Cause of Loss (e.g., fire) that is covered by means of an exception to Exclusion **B.1.g.** of the Causes of Loss – Special Form, then only the Deductible applicable to the Flood and/or Mudslide applies.

I. Other Insurance

The Other Insurance Commercial Property Condition is replaced by the following with respect to the coverage provided under this Flood and/or Mudslide Limited Additional Coverage:

1. If the loss is also covered under a National Flood Insurance Program (NFIP) policy, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under that policy. This provision applies whether or not the maximum NFIP limit was obtained or maintained, and whether or not you can collect on the NFIP policy. We will not, under any circumstances, pay more than the applicable Limit of Insurance for Flood and/or Mudslide as stated in the Flood Coverage Schedule or the first page of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT as applicable to this Flood and/or Mudslide Limited Additional Coverage.
2. If the loss or damage to Covered Property is covered under this Flood and/or Mudslide Limited Additional Coverage and also covered under the PUBLIC WATER SUPPLY SYSTEMS – LIMITED ADDITIONAL COVERAGE Form –PUBLIC01, the most we will pay for the total of all loss or damage to Covered Property is:
 - a. The Blanket Annual Aggregate Limit of Insurance (or the unused remainder of the Blanket Annual Aggregate as described in paragraph **G.1.** above) applicable to Flood and/or Mudslide Limited Additional Coverage; or
 - b. The Limit of Insurance applicable to the Covered Property shown in the Declarations.In no event will we pay the sum of the Limits applicable to each of the coverages (i.e., the sum of the Flood and/or Mudslide Limited Additional Coverage Limit, Sewer and Drain Back-up and Overflow and Sump Overflow – Limited Additional Coverage and Public Water Supply Systems – Limited Additional Coverage).
3. If the loss or damage to Covered Property is covered under this Flood and/or Mudslide Limited Additional Coverage and is also covered under the BLANKET ORDINANCE OR LAW COVERAGE ENDORSEMENT Form ORD01, the most we will pay for the total of all loss or damage is:
 - a. The Blanket Annual Aggregate Limit of Insurance (or the unused remainder of the Blanket Annual Aggregate as described in paragraph **G.1.** above) applicable to Flood and/or Mudslide Limited Additional Coverage; or
 - b. The Limit of Insurance applicable to the Covered Property shown in the Declarations.In no event will we pay the sum of the Limits applicable to each of the coverages (i.e., the sum of the Flood and/or Mudslide Limited Additional Coverage Limit plus the Limits for Ordinance or Law resulting from Flood and/or Mudslide).
4. If there is other insurance covering the loss, other than that described in **I.1.**, **I.2.** or **I.3.** above, we will pay our share of the loss. Our share is the proportion that the available Limit of Insurance under this Flood and/or Mudslide Limited Additional Coverage bears to the total of the applicable Limits of Insurance under all other such insurance. But we will not pay more than the applicable Limit of Insurance stated in the Declarations for Covered Property as our proportion of the loss for any single occurrence.

J. Business Income And Extra Expense Period Of Restoration

This Section J. is applicable only to the Coverage Forms specified below:

1. Business Income (And Extra Expense) Coverage Form;
2. Business Income (Without Extra Expense) Coverage Form; and
3. Extra Expense Coverage Form.

The "period of restoration" definition stated in the above Coverage Form, or in any endorsement amending the beginning of the "period of restoration", applies to each occurrence of Flood and/or Mudslide.

ORDINANCE OR LAW LIMITED ADDITIONAL COVERAGE

I. APPLICATION OF COVERAGE(S)

This Ordinance or Law Limited Additional Coverage applies only if both **I.(1)** and **I.(2)** are satisfied, and is then subject to the qualifications set forth in **I.(3)**.

- (1) The ordinance or law;
 - (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (b) Is in force at the described premises at the time of loss.But this Ordinance or Law Limited Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Ordinance or Law Limited Additional Coverage.
- (2)
 - (a) A building that is described in the Declarations sustains direct physical damage that is covered under this policy and such damage results in the enforcement of the ordinance or law; or
 - (b) A building that is described in the Declarations sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
 - (c) But if a building that is described in the Declarations sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Ordinance or Law Limited Additional Coverage even if the building has also sustained covered direct physical damage.

- (3) In the situation described in **(2)(b)** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this Ordinance or Law Limited Additional Coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage. (See **Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses** below.)

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this Ordinance or Law Limited Additional Coverage.

Example of Proportionate Loss Payment for Ordinance Or Law Limited Additional Coverage Losses (procedure as set forth in Section **I.(3)** of this endorsement.)

Assume:

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

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

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

Step 2:

Apply that proportion to the Ordinance or Law loss.

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

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

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

II. COVERAGE

Coverage A – Coverage for Loss to the Undamaged Portion of the Building

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

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

Coverage B – Demolition Cost Coverage

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

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

Coverage C – Increased Cost Of Construction Coverage

(1) With respect to the building described in the Declarations that has sustained covered direct physical damage, we will pay the increased cost to:

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

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

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

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

(2) When a building is damaged or destroyed and **Coverage C** applies to that building in accordance with paragraph (1) of **Coverage C** – Increased Cost of Construction, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (1):

- (a) The cost of excavations, grading, backfilling and filling;
- (b) Foundation of the building;
- (c) Pilings; and
- (d) Underground pipes, flues and drains.

The items listed in (2)(a) through (2)(d) above are deleted from Property Not Covered, but only with respect to the coverage described in **Coverage C** – Increased Cost Of Construction, paragraph (2).

III. LOSS PAYMENT

(1) The following **Loss Payment** provisions III.(2) and III.(3) are subject to the apportionment

procedures set forth in section **I.(3) of Application of Coverage(s)**.

(2) **Coverage A.**

When there is a loss in value of an undamaged portion of a building to which **Coverage A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- (a) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (i) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (ii) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (b) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (i) The actual cash value of the building at the time of loss; or
 - (ii) The Limit of Insurance shown in the Declarations as applicable to the covered building.

(3) **Coverages B and C**

The most we will pay for the sum of all direct physical loss to Building(s) and any loss of business income with or without Extra Expense) under Coverages **B** and **C** is the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. This limit does not apply separately to **Coverage B** and **Coverage C**. This is a Combined Blanket Limit and applies no matter how many locations, buildings or premises sustain loss.

Subject to this Combined Blanket limit, the following loss payment provisions apply:

- (a) For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (b) With respect to the Increased Cost of Construction:
 - i. We will not pay for the increased cost of construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - ii. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - iii. If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

The amount payable under **Coverage(s) B and C** Combined Blanket Limit is additional insurance.

IV. ADDITIONAL COVERAGES AND COVERAGE EXTENSIONS

The following applies to all Additional Coverages and Coverage Extensions provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT or by the Causes of Loss – Special Form or by the Building and Personal Property Coverage Form or the Condominium Association Coverage Form:

Amounts payable under Additional Coverages, Coverage Extensions (except provided by separate endorsements specifically providing additional Ordinance or Law Coverage limits) do not increase the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT for Ordinance or Law Limited Additional Coverage. However:

- 1. If the loss or damage to Covered Buildings is covered under this Ordinance or Law Limited Additional Coverage and also covered under the Ordinance or Law Coverage Endorsement

Form CP 04 05, the latter coverage is excess over the applicable Limit of Insurance provided by the Ordinance or Law Limited Additional Coverage.

2. If the loss or damage to Covered Buildings is covered under this Ordinance or Law Limited Additional Coverage and is also covered under the Blanket Ordinance Or Law Coverage Endorsement Form ORD01, the most we will pay for the total of all loss or damage is the combined Limits of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT and the Limit of Insurance shown in the Schedule of the Blanket Ordinance Or Law Coverage Endorsement Form ORD01.

3. **Business Income, Extra Expense and Actual Loss Sustained**

The Actual Loss Sustained Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT does not apply to the Ordinance or Law Limited Additional Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

With respect to Business Income and Extra Expense Coverage:

- (a) If your policy includes either the Business Income (and Extra Expense) Coverage Form or the Business Income (Without Extra Expense) Coverage Form, your coverage is extended to include business income loss resulting from loss or damage otherwise payable under this Ordinance or Law Limited Additional Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT (except as regards Actual Loss Sustained coverage); and
- (b) Any amount payable for business income (including any amounts payable for Extra Expense) is included in and is not in addition to the Limit of Insurance described in paragraph (3) of III. Loss Payment of this Ordinance or Law Limited Additional Coverage provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

V. EXCLUSIONS

In addition to the exclusions in your Commercial Property Coverage Part, the following exclusions apply to this Ordinance or Law Limited Additional Coverage:

1. **Failure to Comply Prior to Loss**

Under this Ordinance or Law Limited Additional Coverage, we will not pay for loss due to any ordinance or law that:

- (a) You were required to comply with before the loss, even if the building was undamaged; and
- (b) You failed to comply with.

2. **Pollution**

We will not pay under Coverage **A**, **B** and/or **C** of this Additional Coverage for:

- (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants;" or
- (b) Any costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

3. **"Fungus," Wet or Dry Rot, or Bacteria**

As respects this Ordinance or Law Additional Coverage, the exclusion titled "Fungus", Wet Rot, Dry Rot and Bacteria and the Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot and Bacteria in the Causes of Loss – Special Form are deleted. The following exclusion is added:

- (a) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot or bacteria; or
- (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus", wet rot or dry rot or bacteria.

4. **B. Exclusions, 1.a. Ordinance or Law of the Causes of Loss – Special Form does not apply to this**

Additional Coverage.

ADDITIONAL COVERAGE – OFF-PREMISES SERVICES INTERRUPTION LIMITED ADDITIONAL COVERAGE

(1) For the premises described in the Declarations, we will pay for direct physical loss of or damage to Covered Property described in the Declarations and for loss of Business Income or Extra Expense, caused by an Off-Premises Services Interruption to those premises. The coverage for Off-Premises Services Interruption applies only when an Off-Premises Services Interruption occurs during the policy period and only if all reasonable means were used to save and preserve the Covered Property from further damage at the time of and after the occurrence. The Limit of Coverage for the Additional Coverage – Off-Premises Services Interruption Limited Additional Coverage is shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. The Off-Premises Service Interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provided the following services:

(a) **Water Supply Services**, meaning the following types of property supplying water to the premises described in the Declarations:

- i. Pumping stations;
- ii. Water mains.

(b) **Communications Supply Service** means property supplying communication services including telephone, radio, microwave or television services to the premises described in the Declarations such as:

- i. Communication transmission lines;
- ii. Coaxial cables;
- iii. Microwave radio relays except satellites.

Communication Supply Service does not include overhead transmission lines or overhead distribution lines.

(c) **Power Supply Service** means the following types of property supplying electricity, steam or gas to the premises described in the Declarations:

- i. Utility generating plants;
- ii. Switching stations;
- iii. Substations;
- iv. Transformers and
- v. Transmission lines or distribution lines

Power Supply Service does not include overhead transmission lines or overhead distribution lines.

(2) **Deductibles:**

For Business Income and Extra Expense, we will only pay for the loss you sustain after the first **72** hours following the direct physical loss or damage to the off premises property to which this Additional Coverage applies. For Direct Damage losses, a **\$1,000** per occurrence deductible applies.

(3) **Annual Aggregate Limit of Insurance**

Subject to the Limit of Insurance shown in the Declarations for any single Building or Business Personal Property insured under this policy and paragraph (4) immediately below, the most we will pay for the sum of **all** direct and indirect loss or damage (i.e., the total of all direct physical loss of or damage to Covered Property, plus all loss payable under Business Income and Extra Expense) under this Off Premises Services Interruption Limited Additional Coverage is the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. This is an Annual Aggregate Limit of Insurance and applies no matter how many losses occur or claims are made or how many buildings, premises or locations are covered by this policy.

Definition: The term Annual Aggregate Limit of Insurance means this amount is the **most** we will pay

for the total of **all** loss or damage to covered Building and Business Personal Property, including loss of income payable under the Business Income with or without Extra Expense Coverage Form(s), from **all** Off Premises Services Interruption(s) (as described in Paragraph **(1)** above), occurring during a **12**-month policy period (starting with the beginning of the present annual policy period), even if there is more than one occurrence of Off Premises Services Interruption during that period of time.

How the Annual Aggregate Applies: If there is more than one Off Premises Services Interruption occurrence in a **12**-month policy period, the most we will pay for the total of all loss or damage sustained during that period of time is the amount shown as the Annual Aggregate Limit of Insurance for Off Premises Services Interruption Limited Additional Coverage in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT. Should the first Off Premises Services Interruption not exhaust the Annual Aggregate Limit of Insurance, then the balance of that Limit is available for any subsequent Off Premises Services Interruptions that occur during the **12** month policy period.

With respect to the Annual Aggregate Limit, we will not pay more than the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, even if the Off Premises Services Interruption continues to be present or active, or recurs, in a later policy period.

(4) Loss Payment for Buildings and Personal Property Will Not Exceed Insured Limit

The coverage provided under this Off Premises Services Interruption Limited Additional Coverage does not increase the applicable Limit of Insurance shown in the Declarations on any Covered Property. Under this Off Premises Services Interruption Limited Additional Coverage, we will never pay more for any direct damage loss in any single occurrence than the Limit of Insurance shown in the Declarations for Covered Property.

(5) To the extent that a part of the Utility Services Exclusion(s) might conflict with coverage provided under this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, part **B.1.e.** Utility Exclusion of the Causes of Loss-Special Form does not apply.

(6) If a loss is covered both under this Off Premises Services Interruption Limited Additional Coverage and by a separate endorsement providing Off Premises or Utility Services coverage (specific insurance) attached to this policy, the limits of this Off Premises Services Interruption Limited Additional Coverage Extension will be excess of that separate Utility Services or Off Premises Services Endorsement, and only the deductible applicable to that separate Utility Services or Off Premises Endorsement will apply to the loss.

(7) Exclusions **B.1.e.** and **B.4.a. (1)** of the Cause of Loss – Special Form do not apply to this Limited Additional Coverage.

(8) This Limited Additional Coverage is additional insurance. The Additional Condition, Coinsurance, does not apply to this extension.

(9) If:

- (a) The Equipment Breakdown Enhancement Endorsement, **GNYCP 03**, is attached to your policy, this Limited Additional Coverage – Off-Premises Services Interruption is superseded by, and is not in addition to, the coverage provided by the Equipment Breakdown Enhancement Endorsement, but only if a covered "Equipment Breakdown," as defined in the Equipment Breakdown Enhancement Endorsement, **GNYCP 03**, occurs;
- (b) The Additional Coverage - Spoilage Limited Additional Coverage is provided elsewhere in the policy, the Limit of Coverage for Business Income or Extra Expense under this Additional Coverage – Off-Premises Services Interruption Limited Additional Coverage, is superseded

by, and is not in addition to, that coverage.

**SEWER AND DRAIN BACK-UP AND OVERFLOW AND SUMP OVERFLOW - LIMITED ADDITIONAL
COVERAGE**

**THIS SEWER AND DRAIN BACK-UP AND OVERFLOW AND SUMP OVERFLOW - LIMITED ADDITIONAL
COVERAGE IS NOT FLOOD INSURANCE**

The term Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage means coverage afforded by this section of the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT solely for loss or damage to covered Buildings and to covered Business Personal Property caused by a covered back up of sewers or drains or by the overflow of sumps at your premises described in the Schedule of Designated Premises.

Subject to the following provisions, Sewer and Drain Back-Up and Overflow and Sump Overflow is added as a Limited Additional Coverage.

1. This additional coverage applies to direct physical loss or damage to covered property caused by:

- (a) Sewer or Drain Back-Up or Overflow; and
 - (b) Sump Overflow,
- at your premises described in the Schedule of Designated Premises.

We will pay for loss or damage to covered Buildings and Business Personal Property caused by or resulting from Sewer or Drain Back-Up or Overflow and by Sump Overflow as defined in Paragraph 8 below. This Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage is within, not in addition to, the limits of insurance provided by this policy. Under this Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage, except as provided elsewhere in this Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage, the most we will pay for all loss or damage arising from one occurrence or event is set forth in the Table of Coverages.

2. The Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage will also apply to the cost to tear out and replace any part of, and remove debris from, the Building as needed to repair the Building.

3. The Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage extends to the following coverages, provided that you purchased the coverage from us:

- a. Ordinance or Law;
- b. Business Income (and Extra Expense) Coverage Form; or
- c. Business Income (Without Extra Expense) Coverage Form.

4. The Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage does not extend to loss or damage under the following coverages, even if you purchased these coverages from us, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- a. Pollutant Clean Up and Removal Coverage;
- b. Newly Acquired or Constructed Property Coverage;
- c. Business Income From Dependent Properties;

- d. Additional Coverage – Collapse;
- e. Public Water Supply Systems – Limited Additional Coverage;
- f. The Business Personal Property at Unspecified Locations Coverage;
- g. Flood Coverage Endorsement; Flood Coverage Schedule and Changes; the Flood and/or Mudslide Coverage;
- h. Additional Coverage – Limited Additional Coverage for “Fungus,” Wet Rot, or Dry Rot.

5. Exclusions and Limitations

All Exclusions, Limitations, Terms, and Conditions of the Causes of Loss – Special Form, the Building and Personal Property Coverage Form, and the Condominium Association Coverage Form, whichever you have purchased, apply to this Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage, except that “**B. Exclusions**” “**1.g.**,” “Water,” in the Cause of Loss – Special Form, does not apply to this Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage.

However, except as specifically provided in this Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage, we will not pay under this Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage for loss or damage caused by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

1. Water.

- (a) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (b) Mudslide or mudflow;
- (c) Water damage occurring within a building that originates from a backup or overflow of water from that part of sewer line or sump line outside the building;
- (d) Underground water;
- (e) Waterborne material carried or otherwise moved by any of the water referred to in Exclusion 1. (a), (b), (c), or (d), or material carried or otherwise moved by mudslide or mudflow, except to the extent:
 - (1) that waterborne material is carried or otherwise moved by water discharge from Sewer or Drain Back-Up or Overflow or from the Overflow of a Sump; or
 - (2) that a water discharge from Sewer or Drain Back-Up or Overflow or from the Overflow of a Sump causes or contributes to causing the carriage or other movement of waterborne material.

Exclusion 1 (a) through (e) applies regardless of the proximity of the water (including flood) to covered property, and regardless of whether any of the excluded occurrences or events is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall, or other boundary or containment system fails, in whole or in part for any reason, to contain the water.

But if any of the above, in Exclusion 1 (a) through (e), results in fire, explosion, or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage (if sprinkler leakage

is a Covered Cause of Loss).

2. "Fungus," Wet Rot, or Dry Rot

"Fungus," Wet Rot, or Dry Rot, as such terms are defined in the Causes of Loss – Special Form. However, this exclusion does not apply when "fungus," wet rot, or dry rot results from a Sewer Back-Up, from the Overflow of a Sump, or from both.

6. Sewer and Drain Back-Up and Overflow and Sump Overflow is not a "specified cause of loss" as the term "specified cause of loss" is defined in the Causes of Loss – Special Form. The full extent of the coverage that you have purchased from us for loss or damage under this Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage for direct loss or damage caused by Sewer and Drain Back-Up and Overflow, Sump Overflow, or both, as expressed in this Endorsement.
7. a. If an occurrence or event within the Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage results in a specified cause of loss as defined in the Causes of Loss – Special Form, then the applicable limit is increased to the limit specified in the Property Declarations for the loss or damage. Otherwise, the applicable limit of coverage is the amount set out in the Table of Coverages. However, the co-insurance condition will not apply to the loss or damage.
- b. The Deductible amount for this Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage is **\$5,000**. The deductible amount applies separately to each occurrence or event. However, if, under subparagraph a., the limit of coverage available for the loss or damage is stated in the Property Declarations, then only the Deductible amount applicable to that limit will apply.

8. Definitions:

As used in this Sewer and Drain Back-Up and Overflow and Sump Overflow - Limited Additional Coverage, the following terms have the following meanings:

- (a) "Sewer and Drain Back-Up or Overflow" means water that backs up or overflows from a sewer or drain at your premises described in the Schedule of Designated Premises.
- (b) "Sump Overflow" means water that overflows from a sump at your premises described in the Schedule of Designated Premises.

AMENDMENTS TO F. ADDITIONAL COVERAGE EXTENSIONS

PROPERTY IN TRANSIT

The following replaces Paragraph **c.** of Property in Transit:

The most we will pay for loss or damage under this Enhancement is the amount shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

The following is added to the Additional Coverage Section of your Causes of Loss – Special Form:

INTERIOR AND UNDERGROUND WATER DAMAGE - LIMITED ADDITIONAL COVERAGE

THIS INTERIOR AND UNDERGROUND WATER DAMAGE - LIMITED ADDITIONAL COVERAGE IS NOT FLOOD INSURANCE

Subject to the following provisions, Interior Water Damage and Underground Water Damage – Limited Additional

Coverage is added as a Limited Additional Coverage.

We will pay for Interior Water Damage, Underground Water Damage OR both, to covered Buildings and Business Personal Property caused by or resulting from the occurrence or event described in Paragraph 1 or 2 below. This Interior and Underground Water Damage – Limited Additional Coverage is within, not in addition to, the limits of insurance provided by this policy.

1. The term Interior Water Damage – Limited Additional Coverage means coverage afforded by this section of this coverage form, solely for loss or damage to covered Buildings and to covered Business Personal Property inside the building caused by or resulting from:
 - (1) water from rain, snow, sleet, or ice entering into the building through its roof, walls, closed doors, or closed windows; or
 - (2) the thawing of snow, sleet, or ice on the building.
2. The term Underground Water Damage – Limited Additional Coverage means coverage afforded by this section of this coverage form for direct physical loss or damage to covered property caused by:
 - (1) water that has been accidentally discharged or leaked from fire hydrants or public underground water supply mains; or
 - (2) water that has been accidentally discharged or leaked from any other plumbing system or device; or
 - (3) water under the surface of the ground:
that presses on, flows, or seeps through:
 - (a) foundations, walls, floors, or paved surfaces;
 - (b) basements, whether paved or not; or
 - (c) doors, windows, or other openings.
3. This Interior and Underground Water Damage – Limited Additional Coverage is within, not in addition to, the limits of insurance provided by this policy. Under this Interior and Underground Water Damage – Limited Additional Coverage, except as provided elsewhere in this Interior and Underground Water Damage – Limited Additional Coverage, the most we will pay for all loss or damage arising from one occurrence or event is set forth in the Table of Coverages.
4. The Interior and Underground Water Damage – Limited Additional Coverage will also apply to the cost to tear out and replace any part of, and remove debris from, the Building as needed to repair the Building.
5. The Interior and Underground Water Damage – Limited Additional Coverage extends to the following coverages, provided that you purchased the coverage from us:
 - a. Ordinance or Law;
 - b. Business Income (and Extra Expense) Coverage Form;
 - c. Business Income (Without Extra Expense) Coverage Form;However, except to the extent that paragraph 10 a. applies, the limit of coverage for all loss or damage is as expressed in paragraph 3 and in the Table of Coverages, and any higher or additional limits of coverage provided for these coverages do not apply.
6. The Interior and Underground Water Damage – Limited Additional Coverage does not extend to loss or damage under the following coverages, even if you purchased these coverages from us, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:
 - a. Pollutant Clean Up and Removal Coverage
 - b. Newly Acquired or Constructed Property Coverage
 - c. Business Income From Dependent Properties
 - d. Additional Coverage - Collapse

- e. Public Water Supply Systems – Additional Limited Coverage
- f. The Business Personal Property at Unspecified Locations Coverage
- g. Flood Coverage Endorsement; Flood Coverage Schedule and Changes; Flood and/or Mudslide Coverage.
- h. Additional Coverage – Limited Additional Coverage for “Fungus,” Wet Rot, Dry Rot, and Bacteria.

7. Under this coverage we will not pay for:

- (a) Loss or damage caused by leaks or discharge from lawn sprinkler systems.
- (b) Loss or damage to the system from which water escapes.

8. Exclusions and Limitations:

All Exclusions, Limitations, Terms, and Conditions of the Causes of Loss – Special Form, the Building and Personal Property Coverage Form, and the Condominium Association Coverage Form, whichever you have purchased, apply to this Interior and Underground Water Damage – Limited Additional Coverage, except that B. Exclusions 1. g. Water of the Causes of Loss – Special Form does not apply to this Interior and Underground Water Damage – Limited Additional Coverage.

However, except as specifically provided in this Interior and Underground Water Damage – Limited Additional Coverage, we will not pay under this Interior and Underground Water Damage – Limited Additional Coverage for loss or damage caused by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

1. Water.

- (a) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (b) Mudslide or mudflow;
- (c) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump, or related equipment;
- (c) Waterborne material carried or otherwise moved by any of the water referred to in Exclusion 1. (a), or (c), or material carried or otherwise moved by mudslide or mudflow, except to the extent:
 - (1) that waterborne material carried or otherwise moved by any of the water referred to in Exclusion 1. (a) causes or contributes to causing Interior and Underground Water Damage; or
 - (2) that Interior and Underground Water Damage causes or contributes to causing the carriage or other movement of waterborne material.

But if any of the above, in Exclusion 1 (a) through (d), results in fire, explosion, or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage (if sprinkler leakage is a Covered cause of Loss).

2. Sump overflow. Sump overflow that does not occur concurrently with the Interior and Underground Water Damage.

3. “Fungus,” Wet Rot, Dry Rot, and Bacteria, as such terms are defined in the Causes of Loss – Special Form. However, this exclusion does not apply when “fungus,” wet rot, dry rot, or bacteria results from Interior and Underground Water Damage.

Exclusions 1 (a)-(d) and 2 apply regardless of the proximity of the water (including flood) to covered property, and regardless of whether any of the excluded occurrences or events is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall, or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

9. Interior and Underground Water Damage is not a “specified cause of loss” as the term “specified cause of loss” is defined in the Causes of Loss – Special Form. The full extent of the coverage that you have purchased from us for loss or damage caused by water discharge from Interior and Underground Water Damage – Limited Additional Coverage is expressed in this Section.

10. Sole and Multiple Causes; Application of Limits and Co-Insurance; Deductibles

- a. If water discharge from the occurrence or event described in paragraph 1 or 2 results in a "specified cause of loss" as defined in the Causes of Loss – Special Form, then the applicable limit is increased to the limit specified in the Property Declarations for the loss or damage. However, the co-insurance condition will not apply to the loss or damage.
- b. The Deductible amount for this Interior and Underground Water Damage – Limited Additional Coverage is **\$10,000**. The deductible amount applies separately to each occurrence or event. However, if, under subparagraph a. the limit of coverage available for the loss or damage is stated in the Property Declarations, then only the Deductible amount applicable to that limit will apply.

AMENDMENTS TO THE BUSINESS INCOME COVERAGE FORMS

The following changes are made to the Business Income (Without Extra Expense) Coverage Form and the Business Income (And Extra Expense) Coverage Form if one of these coverage forms is included in your policy:

AMENDMENTS TO A. COVERAGE

PROPERTY DISTANCE EXTENSION

The property distance limitations in **A.** Coverage are increased from 100 feet to **1,000** feet. Payments under this Additional Coverage will not increase the applicable limit of insurance.

AMENDMENTS TO ADDITIONAL COVERAGES

1. The following is added as the final paragraph of forms Business Income (And Extra Expense) **A.5.c.** and Business Income (Without Extra Expense) **A.4.d.**:

EXTENDED BUSINESS INCOME TIME PERIOD

- (3) Additional days for "Business Income" and "Rental Value"

Under the PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, we will add **60** days to the number of days otherwise provided by this policy for Extended Business Income under **(1)(b)(ii)** and/or **(2)(b)(ii)**.

2. The following Additional Coverage is added to forms Business Income (And Extra Expense) **A.5.** and Business Income (Without Extra Expense) **A.4.**:

ORDINANCE OR LAW - INCREASED PERIOD OF RESTORATION ADDITIONAL COVERAGE

- A.** If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the "period of restoration" resulting from a "suspension" of your "operations" caused by or resulting from the enforcement of any ordinance or law that:

1. Regulates the construction or repair of any property;
2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
3. Is in force at the time of loss.

However, coverage is not extended to include loss caused by or resulting from the enforcement of any ordinance or law which requires:

- a. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants;" or
- b. Any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

Exclusion **B.2.d.(2)** of the Causes of Loss Special Form continues to apply.

- B.** For this Increased Period of Restoration Additional Coverage, the Period of Restoration definition is replaced by the following:

"Period of Restoration" means the period of time that:

- a. Begins:

- (1) **72** hours after the time of direct physical loss or damage for Business Income coverage; or

- (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the earlier of:
- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location, or
 - (3) One year after the date of direct physical loss or damage, unless this time period is modified by changes to the Actual Loss Sustained Coverage Extension selected in a PROTECTO-GUARD CHANGES ENDORSEMENT attached to your policy. If a different time period (such as 24 or 36 months) is indicated for the Actual Loss Sustained Coverage Extension in a PROTECTO-GUARD CHANGES ENDORSEMENT, then the "period of restoration" for this **ORDINANCE OR LAW - INCREASED PERIOD OF RESTORATION ADDITIONAL COVERAGE** is changed to correspond with the number of months provided in the Actual Loss Sustained Coverage Extension.
- The expiration date of this policy will not cut short the "period of restoration".
- c. The Ordinance or Law Exclusion does not apply to losses otherwise covered by this Increased Period of Restoration Coverage.

ADDITIONS TO COVERAGE EXTENSION

The following Coverage Extensions are added to forms Business Income (And Extra Expense) **A.6.** and Business Income (Without Extra Expense) **A.5.**:

BUSINESS INCOME - DEPENDENT PROPERTIES

- (1) We will pay up to the Limit of Insurance shown in the Table of Coverages of this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT for the actual loss of business income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by direct physical loss or damage to "dependent property" caused by or resulting from a Covered Cause of Loss. We will not pay more than **3%** of this limit for each day's "suspension" of "operations" due to loss arising from any one location.
- (2) For Coverage provided under this Business Income - Dependent Properties Coverage Extension, the following replaces the Resumption of Operations provision in the Loss Determination Loss Condition: We will reduce the amount of your Business Income Loss, other than Extra Expense, to the extent you resume operations, in whole or in part, by using any other available:
 - (a) Source of materials; or
 - (b) Outlet of your products.

We will reduce your Extra Expense loss to the extent that you can return "operations" to normal and discontinue such Extra Expense.
- (3) Definitions:
 1. The following definition is added:

"Dependent Property" means property operated by others whom you depend on to:

 - a. Deliver materials or services to you or to others for your account (Contributing Locations.) With respect to Contributing Locations, Services does not mean water, communication or power supply services;
 - b. Accept your products or services (Recipient Locations);
 - c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - d. Attract customers to your business (Leader Locations).
 2. The "Period of Restoration" Definition, only with respect to "dependent property," is replaced by the following:

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

 - a. Begins **72** hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and

- b. Ends on the earlier of the following:
 - (i) The date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality, or
 - (ii) One year after the date of the direct physical loss or damage.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants," or
- (c) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "fungus," wet or dry rot, or bacteria. This exclusion of "fungus," wet or dry rot, or bacteria does not apply when "fungus," wet rot or dry rot results from a Covered Cause of Loss. Exclusion **B.2.d.(2)** of the Causes of Loss Special Form continues to apply.

The expiration date of the policy will not cut short the "period of restoration."

ACTUAL LOSS SUSTAINED COVERAGE EXTENSION:

1. LIMITS OF INSURANCE - ACTUAL LOSS SUSTAINED

Only as respects the coverage provided by this Actual Loss Sustained Coverage Extension, the following replaces Section **B. Limits of Insurance**:

ACTUAL LOSS SUSTAINED BASIS OF COVERAGE

Under this Actual Loss Sustained Coverage Extension, we will pay for loss of **Business Income** and/or **Extra Expense** on an Actual Loss Sustained basis. This means that the most we will pay for any one occurrence is the actual loss of Business Income and/or the actual Extra Expense that you sustain during the "period of restoration" and that occurs within **12** consecutive months after the date of direct physical loss or damage. This **12-month** limit replaces the limit of Insurance shown in the Declarations for Business Income or Business Income and Extra Expense, and applies unless this **12-month** time period is modified by a

PROTECTO-GUARD CHANGES ENDORSEMENT attached to your policy which provides a different period of coverage.

All references to *Limit of Insurance shown in the Declarations* in the Business Income and Extra Expense Coverage Form or the Business Income Without Extra Expense Coverage Form do not apply.

2. OPTIONAL PERIOD(S) OF COVERAGE - LIMITS OF INSURANCE - ACTUAL LOSS SUSTAINED

- A. If an Optional **24** month Period of Coverage is indicated (by a ☒ in the appropriate box) in the PROTECTO-GUARD CHANGES ENDORSEMENT attached to your policy, the following replaces section **B. Limits of Insurance**, but only as respects the coverage provided by this Actual Loss Sustained Coverage Extension:

ACTUAL LOSS SUSTAINED BASIS OF COVERAGE

Under this Actual Loss Sustained Coverage Extension, we will pay for loss of **Business Income** and/or **Extra Expense** on an Actual Loss Sustained basis. This means that the most we will pay for any one occurrence is the actual loss of Business Income and/or the actual Extra Expense that you sustain during the "period of restoration" and that occurs within **24** consecutive months after the date of direct physical loss or damage. This **24-month** limit replaces the limit of Insurance shown in the Declarations for Business Income or Business Income and Extra Expense.

All references to *Limit of Insurance shown in the Declarations* in the Business Income and Extra Expense Coverage Form or the Business Income Without Extra Expense Coverage Form do not apply.

- B. If an Optional **36** month Period of Coverage is indicated (by a ☒ in the appropriate box) in the PROTECTO-GUARD CHANGES ENDORSEMENT attached to your policy, the following replaces

Section **B. Limits of Insurance**, but only as respects the coverage provided by this Actual Loss Sustained Coverage Extension:

ACTUAL LOSS SUSTAINED BASIS OF COVERAGE

Under this Actual Loss Sustained Coverage Extension, we will pay for loss of **Business Income** and/or **Extra Expense** on an Actual Loss Sustained basis. This means that the most we will pay for any one occurrence is the actual loss of Business Income and/or the actual Extra Expense that you sustain during the "period of restoration" and that occurs within **36** consecutive months after the date of direct physical loss or damage. This 36-month limit replaces the limit of Insurance shown in the Declarations for Business Income or Business Income and Extra Expense.

All references to *Limit of Insurance shown in the Declarations* in the Business Income and Extra Expense Coverage Form or the Business Income Without Extra Expense Coverage Form do not apply.

3. ADDITIONAL COVERAGE - ALTERATIONS AND NEW BUILDINGS - OPTIONAL PERIOD(S) OF COVERAGE

As respects the Actual Loss Sustained Coverage as it relates to forms Business Income (And Extra Expense) **A.5.b.** and Business Income (Without Extra Expense) **A.4.c. ADDITIONAL COVERAGE - ALTERATIONS AND NEW BUILDINGS**, the following is added as the last paragraph:

The most we will pay for any one occurrence is the actual loss of Business Income and/or Extra Expense that you sustain during the "period of restoration" that occurs within **12** consecutive months after the date of direct physical loss or damage, unless a PROTECTO-GUARD CHANGES ENDORSEMENT modifies this period of coverage.

A. OPTIONAL PERIOD OF COVERAGE – ACTUAL LOSS SUSTAINED – 24 Months:

If an Optional **24** month Period of Coverage is indicated (by a ☒ in the appropriate box) in the PROTECTO-GUARD CHANGES ENDORSEMENT attached to your policy, the following is added in place of the paragraph added above, but only as respects the coverage provided by this Actual Loss Sustained Coverage Extension:

The most we will pay for any one occurrence is the actual loss of Business Income and/or Extra Expense that you sustain during the "period of restoration" that occurs within **24** consecutive months after the date of direct physical loss or damage.

B. OPTIONAL PERIOD OF COVERAGE – ACTUAL LOSS SUSTAINED – 36 Months:

If an Optional **36** month Period of Coverage is indicated (by a ☒ in the appropriate box) in the PROTECTO-GUARD CHANGES ENDORSEMENT attached to your policy, the following is added in place of the paragraph added above, but only as respects the coverage provided by this Actual Loss Sustained Coverage Extension:

The most we will pay for any one occurrence is the actual loss of Business Income and/or Extra Expense that you sustain during the "period of restoration" that occurs within **36** consecutive months after the date of direct physical loss or damage.

4. Only as respects the Actual Loss Sustained Coverage Extension provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT the following are

DELETIONS FROM COVERAGE EXTENSION:

The following wording is deleted from section **A.6. Coverage Extension** of the Business Income (and Extra Expense) Coverage Form and **A.5. Coverage Extension** of the Business Income (without Extra Expense) Coverage Form:

"If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:"

NEWLY ACQUIRED LOCATIONS

The following wording is deleted from section **A.6. Coverage Extension** of the Business Income (and Extra Expense) Coverage Form and **A.5. Coverage Extension** of the Business Income (without Extra Expense) Coverage Form:

The Additional Condition, Coinsurance, does not apply to this Extension.

ADDITIONAL CONDITION AND OPTIONAL COVERAGES

D. Additional Condition and **E.** Optional Coverages are deleted in their entirety.

5. Only as respects the Actual Loss Sustained Coverage Extension provided by this PROTECTO-GUARD ENHANCED PROPERTY COVERAGE ENDORSEMENT, the following is added:

DEFINITION

"Period of Restoration" means the period of time that:

- a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location, or
 - (3) 12 months after the date of direct physical loss or damage, unless this time period is modified by a PROTECTO-GUARD CHANGES ENDORSEMENT attached to your policy which provides a different period of coverage. If a PROTECTO-GUARD CHANGES ENDORSEMENT is attached to your policy, then the reference to **12** months is modified to the option (either **24** or **36** months option) indicated in the PROTECTO-GUARD CHANGES ENDORSEMENT.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants," or
- (iii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus," wet or dry rot, or bacteria. This exclusion of "fungus," wet or dry rot, or bacteria does not apply when "fungus", wet rot, dry rot or bacteria results from a Covered Cause of Loss. Exclusion **B.2.d.(2)** of the Causes of Loss Special Form continues to apply.

CONDOMINIUM ASSOCIATION COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;

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

(6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

(a) Fixtures, improvements and alterations that are a part of the building or structure; and

(b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

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

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others; and
- (3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops; or
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (c) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (d) Remove deposits of mud or earth from the grounds of the described premises;
 - (e) Extract "pollutants" from land or water; or
 - (f) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph (4), the following provisions apply:

- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
- (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 = 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary for you to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the described premises; and

- (b) Buildings you acquire at locations, other than the described premises, intended for:

- (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;

- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

- (c) You report values to us.

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

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
 - (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
 - (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
- (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
- (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;

- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
- (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the described premises.
- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
 - (a) Will end 90 days after the business personal property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
<u> 250 </u>

\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage to Covered Property within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Unit-owner's Insurance

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

7. Vacancy

a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
 - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
 - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
 - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

8. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b. and c. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value, even when attached to the building:

 - (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. Glass at the cost of replacement with safety-glazing material if required by law.

9. Waiver Of Rights Of Recovery

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

F. Additional Conditions

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

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

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

 - (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
 - (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and

(4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 100,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 200,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example 3

When: The value of the property is:
 Building at Location 1: \$ 75,000
 Building at Location 2: \$ 100,000
 Personal Property at Location 2: \$ 75,000
 \$ 250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$ 180,000
 The Deductible is: \$ 1,000

The amount of loss is:
 Building at Location 2: \$ 30,000
 Personal Property at Location 2: \$ 20,000
 \$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

- c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and
- (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence; or
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

Under the terms of this Replacement Cost Optional Coverage, personal property owned indivisibly by all unit-owners, and the property covered under Paragraph **A.1.a.(6)** of this Coverage Form, are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

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

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage — Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G. Definitions**.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

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

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

- (2) Mudslide or mudflow;

- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

- (4) Water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces;

- (b) Basements, whether paved or not; or

- (c) Doors, windows or other openings; or

- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.**
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.**

d.(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

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

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- j. Rain, snow, ice or sleet to personal property in the open.

- k. Collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph **B.1.a.** Ordinance Or Law;
 - (b) Paragraph **B.1.c.** Governmental Action;
 - (c) Paragraph **B.1.d.** Nuclear Hazard;
 - (d) Paragraph **B.1.e.** Utility Services; and
 - (e) Paragraph **B.1.f.** War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

- (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
- a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in D.1. through D.7.

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

- (1) A cause of loss listed in 2.a. or 2.b.;
- (2) One or more of the "specified causes of loss";
- (3) Breakage of building glass;
- (4) Weight of people or personal property; or
- (5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** does **not** apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in 2.a. through 2.d., we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
 - (2) The property is Covered Property under this Coverage Form.
5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in 2.a. through 2.d.;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in 4., regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in D.1. through D.7.

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

- 1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
- 3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

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

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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.

6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:

- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means:
 - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARYLAND CHANGES – CONDOMINIUM ADDITIONAL PROVISIONS

This endorsement modifies insurance provided under the following:

CONDOMINIUM ASSOCIATION COVERAGE FORM

A. The following is added:

No act or omission by any unit-owner will void the policy or be a condition to recovery under this policy. But this does not apply to unit-owners acting within the scope of their authority on behalf of the Association or council of unit-owners.

B. The **Waiver Of Rights Of Recovery** Loss Condition is replaced by the following:

Waiver Of Rights Of Recovery

We waive our rights to recover payment against:

- (1) Any unit-owner described in the Declarations including the developer, and members of his or her household;
- (2) The Association or council of unit-owners; and
- (3) Members of the board of directors for acts or omissions within the scope of their duties for you.

But we reserve our rights to recover from the developer damages for which he or she may be held liable in his or her capacity as a developer.

C. Paragraph **b.** of the **Mortgageholders** Additional Condition is replaced by the following:

- b.** If the condominium is terminated, we will pay for covered loss of, or damage to, buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

In all other respects, we will pay for loss to buildings or structures to you or the designated insurance trustee in accordance with the Loss Payment Loss Condition contained in this Coverage Part.

**GENERAL LIABILITY DECLARATIONS
COMMERCIAL GENERAL LIABILITY COVERAGE PART**

THIS POLICY IS ISSUED BY THE
GREATER NEW YORK MUTUAL INSURANCE COMPANY

NAMED INSURED ANNEN WOODS CONDOMINIUMS #2, INC	EFFECTIVE DATE 11-06-21	POLICY NUMBER 1119M39406 ENDORSEMENT NUMBER
FORM OF BUSINESS: CORPORATION		
TYPE OF POLICY OCCURRENCE		
LOCATION OF ALL PREMISES YOU OWN/RENT/OCCUPY THAT WE INSURE UNDER THIS POLICY SEE DESIGNATION OF PREMISES SCHEDULE		
THESE DECLARATIONS ARE COMPLETED ON THE ATTACHED COMMERCIAL GENERAL LIABILITY COVERAGE PART SCHEDULE(S).		
LIMITS OF INSURANCE		
COVERAGE	LIMIT OF LIABILITY	
AGGREGATE LIMITS OF LIABILITY	Products/Completed Operations Aggregate Products/Completed Operations are subject to the General Aggregate Limit. <div style="display: flex; justify-content: space-between;"> \$ 2,000,000 </div> General Aggregate	
COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY DAMAGE TO PREMISES RENTED TO YOU	<div style="display: flex; justify-content: space-between;"> \$ 1,000,000 </div> any one occurrence subject to the Products/Completed Operations and General Aggregate Limits of Liability <div style="display: flex; justify-content: space-between;"> \$ 100,000 </div> any one premises subject to the Coverage A occurrence and the General Aggregate Limits of Liability	
COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY	<div style="display: flex; justify-content: space-between;"> \$ 1,000,000 </div> any one person or organization subject to the General Aggregate Limits of Liability	
COVERAGE C - MEDICAL PAYMENTS	<div style="display: flex; justify-content: space-between;"> \$ 5,000 </div> any one person subject to the Coverage A occurrence and the General Aggregate Limits of Liability	
ENDORSEMENTS ATTACHED TO THIS COVERAGE FORM: SEE SCHEDULE OF FORMS AND ENDORSEMENTS		
TAX OR SURCHARGE: \$		
TOTAL ANNUAL PREMIUM - THIS COVERAGE PART INCLUDING ANY LIQUOR LIABILITY AND OWNERS & CONTRACTORS:	PREMISES/OPER \$ 1,417	PROD/CP/OPER \$
THIS POLICY CONTAINS AGGREGATE LIMITS; REFER TO SECTION III - LIMITS OF INSURANCE FOR DETAILS.		

GNY 020 (11/04)

COMMERCIAL GENERAL LIABILITY
COMMERCIAL GENERAL COVERAGE PART SCHEDULE
THIS POLICY IS ISSUED BY THE
GREATER NEW YORK MUTUAL INSURANCE COMPANY

NAMED INSURED ANNEN WOODS CONDOMINIUMS #2, INC		EFFECTIVE DATE 11-06-21	POLICY NUMBER 1119M39406 ENDORSEMENT NUMBER	
CLASS CODE 60011	PREMIUM BASIS UNITS/EACH	PREMISES/OPERATIONS		
LOCATION 001/001	EXPOSURE 8	RATE	PREMIUM	
CLASS DESCRIPTION APARTMENT BUILDINGS - GARDEN (PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT)		28.491	228.00	
		PRODUCTS/COMPL OPERATIONS		
		RATE	PREMIUM	
			INCL	
CLASS CODE 60011	PREMIUM BASIS	PREMISES/OPERATIONS		
LOCATION 001/001	EXPOSURE 8	RATE	PREMIUM	
CLASS DESCRIPTION TERRORISM		.025	6.00	
		PRODUCTS/COMPL OPERATIONS		
		RATE	PREMIUM	
CLASS CODE 62003	PREMIUM BASIS UNITS/EACH	PREMISES/OPERATIONS		
LOCATION 001/001	EXPOSURE 40	RATE	PREMIUM	
CLASS DESCRIPTION CONDOMINIUMS RESIDENTIAL - (ASSOCIATION RISK ONLY) (PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT)		20.589	824.00	
		PRODUCTS/COMPL OPERATIONS		
		RATE	PREMIUM	
			INCL	

**COMMERCIAL GENERAL LIABILITY
COMMERCIAL GENERAL COVERAGE PART SCHEDULE**

THIS POLICY IS ISSUED BY THE
GREATER NEW YORK MUTUAL INSURANCE COMPANY

NAMED INSURED ANNEN WOODS CONDOMINIUMS #2, INC		EFFECTIVE DATE 11-06-21	POLICY NUMBER 1119M39406 ENDORSEMENT NUMBER	
CLASS CODE 62003	PREMIUM BASIS	PREMISES/OPERATIONS		
LOCATION 001/001	EXPOSURE 40	RATE	PREMIUM	
CLASS DESCRIPTION TERRORISM		.025	21.00	
		PRODUCTS/COMPL OPERATIONS		
		RATE	PREMIUM	
CLASS CODE	PREMIUM BASIS Flat Charge	PREMISES/OPERATIONS		
LOCATION	EXPOSURE	RATE	PREMIUM	
CLASS DESCRIPTION PROTECTO-GUARD HABITATIONAL COVERAGE			250.00	
		PRODUCTS/COMPL OPERATIONS		
		RATE	PREMIUM	
CLASS CODE	PREMIUM BASIS	PREMISES/OPERATIONS		
LOCATION	EXPOSURE	RATE	PREMIUM	
CLASS DESCRIPTION				
		PRODUCTS/COMPL OPERATIONS		
		RATE	PREMIUM	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Communicable Disease

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

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

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

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

2. Exclusions

This insurance does not apply to:

Communicable Disease

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

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

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

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

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

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:
- (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
- (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
- a. Medical expenses under Coverage **C**;
- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
 4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
 5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
 6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.
- The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

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

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

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

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

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

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** — Coverage **A** — Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

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

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

c. Method Of Sharing

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

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

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

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

7. Separation Of Insureds

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

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

8. Transfer Of Rights Of Recovery Against Others To Us

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

9. When We Do Not Renew

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

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

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

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

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARYLAND CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by the following:**
- 2.** When this Policy has been in effect for 45 days or less and is not a renewal policy, we may cancel this Coverage Part by mailing to the first Named Insured, at the last mailing address known to us, written notice of cancellation, stating the reason for cancellation, at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - b.** 15 days before the effective date of cancellation if we cancel because the risk does not meet our underwriting standards.
 - 3.** When this Policy has been in effect for more than 45 days or is a renewal policy, we may cancel this Policy by mailing to the first Named Insured, at the last mailing address known to us, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - b.** 45 days before the effective date of cancellation if we cancel for a permissible reason other than nonpayment of premium, stating the reason for cancellation. Under this Paragraph **b.**, we may cancel only for one or more of the following reasons:
 - (1)** When there exists material misrepresentation or fraud in connection with the application, policy, or presentation of a claim.
 - (2)** A change in the condition of the risk that results in an increase in the hazard insured against.
 - (3)** A matter or issue related to the risk that constitutes a threat to public safety.
- If we cancel pursuant to Paragraph **3.b.**, you may request additional information on the reason for cancellation within 30 days from the date of our notice.
- B. Paragraph 5. of the Cancellation Common Policy Condition is replaced by the following:**
- 5.** If this Policy is cancelled, we will send the first Named Insured any premium refund due.
 - a.** The refund will be pro rata if:
 - (1)** We cancel; or
 - (2)** The Policy is not a renewal policy, and the first Named Insured cancels upon receiving written notice that we recalculated the premium based on the discovery of a material risk factor during the first 45 days the Policy has been in effect.
 - b.** If the first Named Insured cancels, other than the cancellation described in Paragraph **a.(2)**, the refund will be calculated as follows:
 - (1) Policies Written For One Year Or Less**

We will refund 90% of the pro rata unearned premium.
 - (2) Policies Written For More Than One Year**
 - (a)** If the Policy is cancelled in the first year, we will refund 90% of the pro rata unearned premium for the first year, plus the full annual premium for subsequent years.
 - (b)** If the Policy is cancelled after the first year, we will refund the pro rata unearned premium.

(3) Continuous And Annual Premium Payment Policies

We will refund 90% of the pro rata unearned premium for the year in which the Policy is cancelled.

We will retain the minimum premium, except if the Policy is cancelled as of the inception date.

However, if this Policy is financed by a premium finance company and we or the premium finance company or the first Named Insured cancels the Policy, the refund will consist of the gross unearned premium computed pro rata, excluding any expense constant, administrative fee or nonrefundable charge filed with and approved by the insurance commissioner.

The cancellation will be effective even if we have not made or offered a refund.

C. Paragraph 6. of the Cancellation Common Policy Condition is replaced by the following:

6. We will send notice of cancellation to the first Named Insured by a "first-class mail tracking method" if:

- a. We cancel for nonpayment of premium; or
- b. This Policy is not a renewal of a policy we issued and has been in effect for 45 days or less.

We will send notice to the first Named Insured by a "first-class mail tracking method" or by commercial mail delivery service if we cancel for a reason other than nonpayment of premium and this Policy:

- a. Is a renewal of a policy we issued; or
- b. Has been in effect for more than 45 days.

We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.

D. The following condition is added and supersedes any provisions to the contrary:

When We Do Not Renew

1. We may elect not to renew this Policy by mailing notice of nonrenewal to the first Named Insured at the last mailing address known to us at least 45 days before the expiration date of this Policy.
2. We will send notice of nonrenewal to the first Named Insured by a "first-class mail tracking method" or by commercial mail delivery service. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.
3. When we elect not to renew a policy that has been in effect for more than 45 days for a reason other than nonpayment of premium, we will provide a written statement of the actual reason for the refusal to renew. You may request additional information within 30 days from the date of our notice.
4. If we offer to renew at least 45 days before the renewal date and you fail to make the required premium payment by the renewal date, the Policy will terminate on the renewal date for nonpayment of premium.

E. The following definition is added:

"First-class mail tracking method" means a method that provides evidence of the date that a piece of first-class mail was accepted for mailing by the United States Postal Service, including a certificate of mail and an electronic mail tracking system used by the United States Postal Service.

"First-class mail tracking method" does not include a certificate of bulk mailing.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description Of Professional Services
1. ALL PROFESSIONAL SERVICES
2.
3.
4.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

With respect to any professional services shown in the Schedule, the following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability and Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" due to the rendering of or failure to render any professional service.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional service.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION WITH A BUILDING HEATING, COOLING AND DEHUMIDIFYING EQUIPMENT EXCEPTION AND A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to:

- (a) "Bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests; or
- (b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:
- (i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARYLAND CHANGES – PREMIUM AUDIT CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

Paragraph **b.** of the **Premium Audit Condition Section IV** is replaced by the following:

Premium Audit

- b.** Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is 30 days from the date of the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

GNY INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

BASIC CONSTRUCTION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury" or "property damage" arising out of construction or demolition operations which are performed by or on behalf of the Named Insured in the course of any job which involves the new construction or demolition of any load bearing wall, floor, ceiling or roof of a building or structure, provided, however, that nothing herein limits, prohibits or restricts insurance coverage for the repair, alteration, maintenance or refurbishing of a load bearing wall, floor, ceiling or roof.

Policy # 1119M39406

Policy Period: 11-06-2021 to 11-06-2022

GNY INSURANCE COMPANIES

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

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE	
Coverage	Additional Premium
"Hired Auto" Liability	\$ 40
"Non-Owned Auto" Liability	\$ 40

"Hired Auto" and "Non-Owned Auto" Liability

A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

1. "Hired Auto" Liability

The insurance provided under Coverage A of the Commercial General Liability Coverage Form, applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

2. "Non-Owned Auto" Liability

The insurance provided under Coverage A of the Commercial General Liability Coverage Form applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person other than you.

B. The following applies only to insurance provided by Paragraph A. of this endorsement:

1. The exclusions under the Commercial General Liability Coverage Form, other than Exclusions a., b., d., f. and i. are deleted and replaced by the following:

a. "Bodily injury" to an "employee" of the insured arising out of and in the course of:

- (1) Employment by the insured; or
- (2) Performing duties related to the conduct of the insured's business.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the insured under an "insured contract".

b. "Property damage" to:

- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured.

2. **SECTION II - WHO IS AN INSURED** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

Each of the following is an insured under this endorsement to the extent set forth below:

- a. You;
- b. Any other person using a "hired auto" with your permission;
- c. For a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business; and
- d. Any other person or organization, but only for their liability because of acts or omissions of an insured under a., b. or c. above.

None of the following is an insured:

- a. Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment;
- b. Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;
- c. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
- d. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;
- e. Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

C. The following additional definitions apply:

1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
2. "Hired-Auto" means any "auto" you lease, hire or borrow. "Hired Auto" does not include any "auto" you lease, hire or borrow:
 - a. From any of your "employees" or members of their households, or from any partner "executive officer" of yours, or
 - b. For a period of six months or more.
3. "Non-Owned Auto" means any "auto" you do not own, lease, hire or borrow that is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.

D. The coverage provided by this endorsement does not apply to:

Any obligation or liability for any injury, loss, cost, damage or expense:

- a. Under Section C., Medical Payments;
- b. Imposed by No-fault law;
- c. For personal injury protection coverage;
- d. For underinsured or uninsured motorists coverage;
- e. Imposed by any financial responsibility law; or
- f. Imposed by Laws or Coverages related to first-party coverage; or
- g. Similar coverage or law.

GREATER NEW YORK INSURANCE GROUP
PROTECTO – GUARD
ENHANCED GENERAL LIABILITY COVERAGE ENDORSEMENT
FOR HABITATIONAL PROPERTIES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE	
GENERAL LIABILITY COVERAGE	LIMIT OF INSURANCE (INCLUDES LIMITS PROVIDED BY COVERAGE FORMS LISTED ABOVE)
Damage To Premises Rented To You	\$1,000,000
Notice to Company	Included
Knowledge of Occurrence	Included
Unintentional Errors or Omission	Included
Mental Anguish included in the Definition of "Bodily Injury"	Included

AMENDMENTS TO THE COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following modifies insurance provided under the **Commercial General Liability Coverage Form**:

AMENDMENTS TO COMMERCIAL GENERAL LIABILITY COVERAGE FORM - SECTION III - LIMITS OF INSURANCE

DAMAGE TO PREMISES RENTED TO YOU

The following is added as the last sentence to paragraph 6. in Section III:

In addition to the limit shown in the Declarations for Damage to Premises Rented To You, and subject to the terms of that coverage, under the PROTECTO-GUARD GENERAL LIABILITY ENHANCED COVERAGE ENDORSEMENT we will pay **\$900,000** "Property Damage" to any one premises while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

AMENDMENTS TO COMMERCIAL GENERAL LIABILITY COVERAGE FORM - SECTION VI – DEFINITIONS

As respects the coverage provided by the **PROTECTO-GUARD ENHANCED GENERAL LIABILITY COVERAGE ENDORSEMENT FOR HABITATIONAL PROPERTIES**, the following amends the Definition of "Bodily Injury":

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

AMENDMENTS TO COMMERCIAL GENERAL LIABILITY COVERAGE FORM - SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

As respects the coverage provided by the **PROTECTO-GUARD ENHANCED GENERAL LIABILITY COVERAGE ENDORSEMENT FOR HABITATIONAL PROPERTIES**, the following are added to the Commercial General Liability Conditions:

NOTICE TO COMPANY

If a liability claim is made to an insured arising from an "occurrence" that caused "bodily injury" to a person the insured disputes is an employee; and if the insured timely notifies its workers' compensation insurer of the occurrence; and if a workers' compensation board or law court finally determines that the person is not an employee of the insured; then the insured's delay in reporting the "occurrence" to us will not be deemed late notice of the "occurrence" under paragraph 2., Duties In The Event Of Occurrence, Offense, Claim or Suit, of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, if the insured reports the "occurrence" to us as soon as

practicable on learning of the final determination.

KNOWLEDGE OF OCCURRENCE:

It is agreed that knowledge of an "occurrence" by the agent, servant or employee of the insured shall not in itself constitute knowledge by the insured unless the named insured or any partner or any executive officer of the insureds corporation shall have received such notice from the agent, servant or employee.

UNINTENTIONAL ERROR OR OMISSIONS:

It is agreed that failure of the insured to disclose all hazards existing as of the inception date of the policy shall not prejudice the insured with respect to the coverage afforded by this policy provided such failure or any omission is not intentional.

ADDITIONAL COVERAGES:

1. EXCEPTION TO THE LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION ENDORSEMENT (CG 21 44)

If ISO Endorsement **CG 21 44 Limitation of Coverage To Designated Premises, Project or Operation Endorsement** is attached to your policy, it does not apply to sums you are legally obligated to pay as damages because of "bodily injury" or "property damage" under Coverage A, or to medical expenses under Coverage C, arising out of:

- a) Premises leased for your annual meeting; and
- b) An "executive officer" while attending a trade show, exhibition or convention.

2. BLANKET ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

A. SECTION II – WHO IS AN INSURED is amended to include as an additional insured any person or organization for whom you, before a loss, have agreed in writing in a contract or agreement that such person or organization be added as an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by you or those acting on your behalf in connection with the ownership, maintenance, or use of that part of the premises leased to you and shown in the Designation of Premises Schedule, subject to the following additional exclusions:

This insurance does not apply to:

- 1. Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- 2. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Designation of Premises Schedule.

However:

- 1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- 2. If coverage provided to the additional insured is required by a contract or agreement meeting the requirements stated in Section 2A above, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, OTHER INSURANCE is amended to add the following provision:

Primary and Non-Contributory Insurance

If you agreed in writing in a contract or agreement that the insurance as identified in 2A above is also primary to and will not seek contribution from any other insurance available to the additional insured, then this additional insured coverage will apply on a primary and non-contributory basis.

3. BLANKET ADDITIONAL INSURED – OWNERS OR OTHER INTERESTS FROM WHOM LAND HAS BEEN LEASED

- A. SECTION II – WHO IS AN INSURED** is amended to include as an additional insured any person or organization for whom you, before a loss, have agreed in writing in a contract or agreement that such person or organization be added as an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by you or those acting on your behalf in connection with the ownership, maintenance, or use of that part of the land leased to you and shown in the Designation of Premises Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement meeting the requirements stated in Section 3A above, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

- B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease that land; or
2. Structural alterations, new construction, or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Designation of Premises Schedule.

- C. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, OTHER INSURANCE** is amended to add the following provision:

Primary and Non-Contributory Insurance

If you agreed in writing in a contract or agreement that the insurance as identified in 3A above is also primary to and will not seek contribution from any other insurance available to the additional insured, then this additional insured coverage will apply on a primary and non-contributory basis.

4. BLANKET ADDITIONAL INSURED – VENDORS

- A. SECTION II – WHO IS AN INSURED** is amended to include as an additional insured any person or organization for whom you, before a loss, have agreed in writing in a contract or agreement that such person or organization be added as an additional insured, but only with respect to liability for "bodily injury" or "property damage" arising out of "your products" shown in the Designation of Premises Schedule which are distributed or sold in the regular course of the vendor's business.

However:

1. The insurance afforded to such vendor only applies to the extent permitted by law; and
2. If coverage provided to the vendor is required by a contract or agreement meeting the requirements stated in Section 4A above, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.

B. With respect to the insurance afforded to these vendors, the following additional exclusions apply:

1. The insurance afforded the vendor does not apply to:
 - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - b. Any express warranty unauthorized by you;
 - c. Any physical or chemical change in the product made intentionally by the vendor;
 - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
 - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1) The exceptions contained in Sub-paragraphs d. or f.; or
 - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

C. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, OTHER INSURANCE is amended to add the following provision:

Primary and Non-Contributory Insurance

If you agreed in writing in a contract or agreement that the insurance as identified in Section 4A above is also primary to and will not seek contribution from any other insurance available to the additional insured, then this additional insured coverage will apply on a primary and non-contributory basis.

5. BLANKET ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER

- A. SECTION II – WHO IS AN INSURED** is amended to include as an additional insured any person or organization for whom you, before a loss, have agreed in writing in a contract or agreement that such person or organization be added as an additional insured, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Designation of Premises Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
 2. If coverage provided to the additional insured is required by a contract or agreement meeting the requirements in Section 5A above, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
- B.** This insurance does not apply to structural alterations, new construction, and demolition operations performed by or for that person or organization.
- C. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, OTHER INSURANCE** is amended to add the following provision:

Primary and Non-Contributory Insurance

If you agreed in writing in a contract or agreement that the insurance identified in 5A above is also primary to and will not seek contribution from any other insurance available to the additional insured, then this additional insured coverage will apply on a primary and non-contributory basis.

6. BLANKET ADDITIONAL INSURED – LESSOR OR LEASED EQUIPMENT

- A. SECTION II – WHO IS AN INSURED** is amended to include as an additional insured any person or organization for whom you, before a loss, have agreed in writing in a contract or agreement that such person or organization be added as an additional insured, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
 2. If coverage provided to the additional insured is required by a contract or agreement meeting the requirements stated in Section 6A above, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
- B.** With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.
- C. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, OTHER INSURANCE** is amended to add the following provision:

Primary and Non-Contributory Insurance

If you agreed in writing in a contract or agreement that the insurance as identified in 6A above is also primary to and will not seek contribution from any other insurance available to the additional insured, then this additional insured coverage will apply on a primary and non-contributory basis.

7. STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION – PERMITS OR AUTHORIZATIONS RELATING TO PREMISES

- A. SECTION II – WHO IS AN INSURED** is amended to include as an additional insured any person or organization for whom you, before a loss, have agreed in writing in a contract or agreement that such person or organization be added as an additional insured, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent, or control and to which this insurance applies:

1. The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures; or
2. The construction, erection or removal of elevators; or
3. The ownership, maintenance or use of any elevators covered by this insurance.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement meeting the requirements stated in Section 7A above, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

- B. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, OTHER INSURANCE** is amended to add the following provision:

Primary and Non-Contributory Insurance

If you agreed in writing in a contract or agreement that the insurance as identified in 7A above is also primary to and will not seek contribution from any other insurance available to the additional insured, then this additional insured coverage will apply on a primary and non-contributory basis.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION FOR PUNITIVE DAMAGES AND SIMILAR AWARDS AND PENALTIES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Punitive Damages and Similar Awards and Penalties

Any liability for fines, penalties, “punitive damages,” exemplary damages, treble, or multiple damages directly or vicariously assessed against the Insured.

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

“**Punitive damages**” means damages that may be imposed to punish a wrongdoer, to deter others from similar conduct, or both.

- C. Defense.** If a suit is brought against an Insured seeking compensatory damages covered by this policy, as well as sums excluded by this endorsement, we will defend the “suit.” However, we will have no obligation to pay for any interest under subparagraph 1. g. of the **SUPPLEMENTARY PAYMENTS** provision attributable to any sum excluded by this endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to:

"Bodily injury" to:

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

This exclusion applies:

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

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

This insurance does not apply to:

"Personal and advertising injury" to:

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

This exclusion applies:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

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

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

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

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

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

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

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

GNY INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS HAZARD EXCLUSION ENDORSEMENT

This endorsement modifies such insurance as is afforded by the provisions of the policy related to the following:

BUSINESSOWNERS COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

It is understood and agreed that such insurance as is afforded by this policy is subject to the following additional exclusion:

A. This policy does not apply:

1. to "bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard"; or
2. to any loss, cost or expense arising out of any governmental direction or request that the Named Insured test for, monitor, clean up, remove, treat or neutralize "asbestos".

B. ADDITIONAL DEFINITIONS

1. Asbestos hazard means:
 - a. an actual exposure or threat of exposure to the harmful properties of "asbestos"; or
 - b. the presence of "asbestos" in any place, whether or not within a building or structure.
2. Asbestos means the mineral in any form, including but not limited to fibers or dust.

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:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

- A.** 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 pursuant 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.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARYLAND – CONDOMINIUMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. **Section II – Who Is An Insured** is amended to include the following as an insured:

- a. The developer in the developer's capacity as a unit-owner, but only with respect to the developer's liability arising out of:

- (1) The ownership, maintenance or repair of that portion of the premises which is not owned solely by the developer; or
- (2) The developer's membership in the association.

However, the insurance afforded with respect to the developer does not apply to liability for acts or omissions as a developer.

- b. Each other unit-owner of the described condominium, but only with respect to that person's liability arising out of the ownership, maintenance or repair of that portion of the premises which is not owned solely by the unit-owner or out of that person's membership in the association.

2. The following is added to Condition 8. **Transfer Of Rights Of Recovery Against Others To Us (Section IV – Commercial General Liability Conditions):**

We waive any rights which the Transfer Of Rights Of Recovery Against Others To Us Condition may give us against:

- a. Any unit-owner, including the developer, and household members;

- b. The association; and

- c. Members of the board of directors for acts or omissions within the scope of their duties for you.

We reserve our right, however, to recover against the developer for acts or omissions that the developer may be liable for in the capacity as a developer.

3. The following condition is added to **Section IV – Commercial General Liability Conditions:**

Acts Or Omissions By Unit-owners

No act or omission by any unit-owner, unless acting within the scope of the unit-owner's authority on behalf of the association, will void the policy or be a condition to recovery under the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – LIMITED BODILY INJURY
EXCEPTION NOT INCLUDED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

- p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

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

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.g. Aircraft, Auto Or Watercraft** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
 - (i)** Less than 26 feet long; and
 - (ii)** Not being used to carry persons or property for a charge;
- (c)** Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d)** Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(e) "Bodily injury" or "property damage" arising out of:

- (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (ii) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

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

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

- a. The use of another's advertising idea in your "advertisement"; or
- b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

C. The following definition is added to the Definitions section:

"Unmanned aircraft" means an aircraft that is not:

- 1. Designed;
- 2. Manufactured; or
- 3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONTROLLED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description And Location(s) Of Operation(s):
AS SHOWN ON DESIGNATION OF PREMISES SCHEDULE (GNY 002)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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

This insurance does not apply to "bodily injury" or "property damage":

1. Arising out of your ongoing operations; or
2. Included in the "products-completed operations hazard":

at the location(s) described in the Schedule of this endorsement, but only if you are enrolled in a "controlled (wrap-up) insurance program" with respect to the "bodily injury" or "property damage" described in Paragraphs **A.1.** and **A.2.** above at such location(s).

This exclusion applies whether or not the "controlled (wrap-up) insurance program":

- a. Provides coverage identical to that provided by this Coverage Part;

- b.** Has limits adequate to cover all claims; or
- c.** Remains in effect.

- B.** The following definition is added to the **Definitions** section:

"Controlled (wrap-up) insurance program" means a centralized insurance program under which one party has secured either insurance or self-insurance covering some or all of the contractors or subcontractors performing work on one or more specific project(s).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Location(s):
AS SHOWN ON DESIGNATION OF PREMISES SCHEDULE

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

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which can be attributed only to operations at a single designated "location" shown in the Schedule above:
1. A separate Designated Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
 3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
 4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.

- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which cannot be attributed only to operations at a single designated "location" shown in the Schedule above:
1. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Designated Location General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Location General Aggregate Limit.
- D.** For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:
- "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- E.** The provisions of Section III – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CROSS SUITS LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to:

Cross Suits

Any claim made or "suit" brought by any Named Insured under this Policy against another Named Insured under this Policy for damages because of "bodily injury" or "property damage".

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

This insurance does not apply to:

Cross Suits

Any claim made or "suit" brought by any Named Insured under this Policy against another Named Insured under this Policy for damages because of "personal and advertising injury".

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site — <http://www.treas.gov/ofac>.

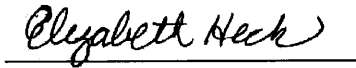
In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

Mutual Policy Conditions: The Company is a perpetual mutual corporation owned by its policyholder members and operated for their mutual protection and benefit in accordance with law and the Company's charter and by laws. This policy is non-assessable and its holder is not subject to any assessment or contingent liability.

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

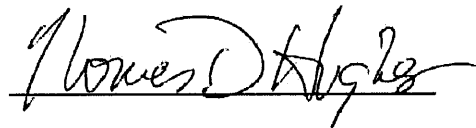
By:

By:

A handwritten signature in cursive script, reading "Elizabeth Heck", written over a horizontal line.

Elizabeth Heck

President and Chief Executive Officer

A handwritten signature in cursive script, reading "Thomas D. Hughes", written over a horizontal line.

Thomas D. Hughes

Corporate Secretary



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Council of Unit Owners of Annen Woods Condominium No. 2

Reserve Reports



October 2021

CAPITAL RESERVE STUDY

Submitted to:

**Annen Woods Condominium No. 2
c/o WPM Real Estate Management
11433 Cronridge Drive
Owings Mills, MD 21117**



Submitted by:

Architectural Support Group, LLC. T/A ASG
3423 Olney-Laytonsville Road, Suite 7B, Olney, MD 20832
443-733-1200 x101 (o) 443-733-1219 (f)
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ASG

ASG Job Code: ANN1143



October 4, 2021

Board of Directors
Annen Woods Condominium No. 2
c/o WPM Real Estate Management
11433 Cronridge Drive
Owings Mills, MD 21117

ASG Job Code: ANN143

RE: Capital Reserve Study

Dear Board Members:

We are pleased to present this CAI Level I Reserve Study for Annen Woods Condominium No. 2. Our findings are summarized in the Executive Summary on pages 4-6. Our report is based on our observations and analysis of information supplied to us by your representatives. If no changes are required, please consider this the final product per our agreement. However, if minor changes are required, please contact us and we will be happy to make the requested revisions and reissue the report.

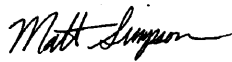
We would like to thank you for this opportunity to be of service. If you have any questions regarding our findings and recommendations, please do not hesitate to contact us. We recommend this study be updated every three years as a minimum.

As a full service architectural consulting firm, ASG is uniquely positioned to assist your organization in the future as assets are replaced or repaired. Having a professional on your team can help a project go more smoothly and efficiently. ASG has assisted many organizations with bidding and negotiation of contracts, managing the re-construction project and providing an independent review of the contractor's work and pay applications. We would be pleased to continue to assist your Association in the future.

Sincerely,
Architectural Support Group, LLC



Michael Daly, AIA, NCIDQ, LEED AP BD +C, RS
Managing Principal



Matt Simpson
Associate



Tiffany Smith
Associate



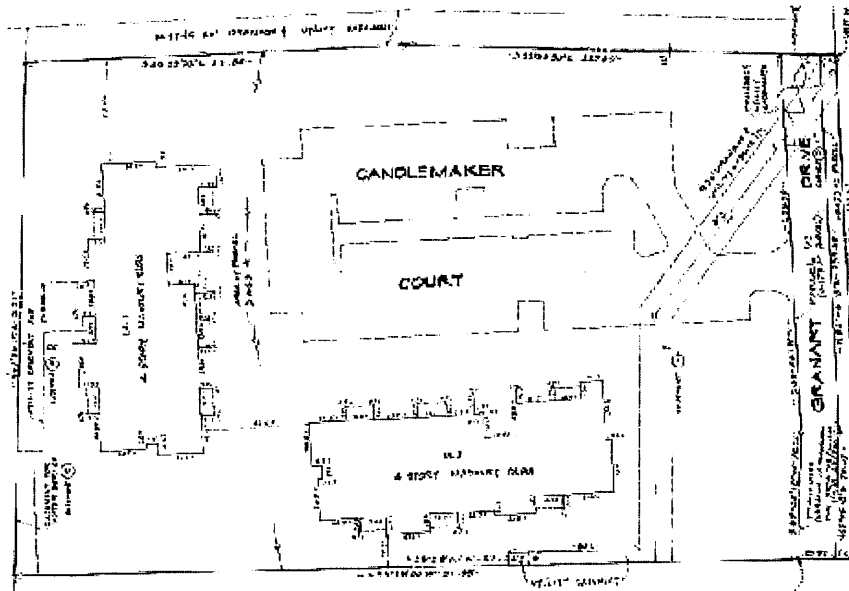
Annen Woods Condominium No. 2

Candlemaker Court • Pikesville • Maryland • 21208

Reserve Study September 2021

	<u>PAGE</u>
I. TABLE OF CONTENTS	3
II. EXECUTIVE SUMMARY	4
A. General Property Description and Maps	4
B. Physical Analysis	5
C. Financial Analysis	7
III. RESERVE STUDY	
A. Assumptions	8
B. Methodology	8
C. Definitions of Schedule Categories	9
1. Component Method Summary	11
a. Schedule of Reserve Components by Category	12
2. Cash Flow Method Summary	16
a. Cash Flow Method of Funding Graph	17
IV. PHOTOGRAPHS	
A. Photographs of Existing Conditions Observed	18
B. 5 Year Prioritized Replacement List By Remaining Life	25
C. Recommended Maintenance/Inspection Summary	26
V. Bibliography	27
VI. CAI Standards	28

Annen Woods Condominium No. 2



We at Architectural Support Group, LLC. ("ASG") are pleased to present this Level I Capital Reserve Study for **Annen Woods Condominium No. 2. (Annen Woods 2)**. This study is comprised of a Physical and Financial Analysis in accordance with the "National Reserve Study Standards" adopted by the Community Association Institute (CAI). We are proud to be able to claim that as a member of CAI's Reserve Specialist Committee, we assisted in the formation of the only published standard of its kind. The standard Best Practices Guide is attached to the end of this report for your reference. This study shows changes to the cost and remaining useful lives of the reserve items as well as changes that have occurred due to asset replacement.

I.A. General Property Description

Annen Woods 2 consists of 48 Units within two four-story buildings finished with a brick facade, located in Pikesville, Maryland. The Community was constructed in approximately 1978. The physical assets were viewed by ASG on September 2, 2021. The costs and estimated useful lives of the line items in the reserve schedules have been estimated to reflect the age of the assets.

The Association's Property Manager, Ms. Rita Dore, submitted the expense and balance sheet to ASG for use in this update. The Capital Reserve balance was listed at \$434,494 with a projected annual contribution to the Reserves of \$61,675 in 2021.

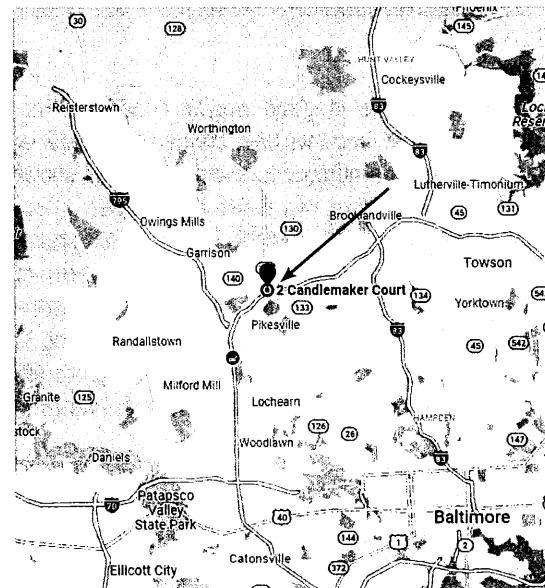
Per the CAI National Standards, this report is a **Level I Study**, which is intended as an inventory listing of the common assets with estimated replacement costs and estimated remaining material life.

This report is not intended to be an in-depth condition assessment of every component found at Annen Woods 2, but rather an assessment based on our visual review. Please refer to the Assumptions and Methodology on page 7. No warranties are expressed or implied as to the estimated remaining life assigned to each asset.

SITE MAP



VICINITY MAP



II.A. Physical Analysis

As can be seen in the included schedules, the major expenses in the near to not too distant future involve the replacement of both rooftops and trash compactors, as well as interior improvements to the carpeting. The following is a brief summary of findings regarding the listed component items. Not all items observed are included in the following summary.

1. Site Components

Overall site components at Annen Woods 2 were observed to be in good condition with normal aging.

Asphalt:

The asphalt is in good overall condition and appeared to be well maintained. We have provided a general budget to perform sealcoating, general repairs, crack-fill and restriping, every five years. Please note that we paid close attention to the timing of the recommended asphalt repairs. We excluded funding for repairs and restriping if the asphalt was scheduled for a full mill and overlay. Specifically, sealcoating was not performed within five years prior to or after a full replacement, and patch repairs were not performed for at least five years after the scheduled mill and overlay. (See section IV. A. Photos 1 & 2)

Concrete:

The concrete is in good overall condition. For the purpose of this report we have created a sidewalk layout which assigns a number to each section, as shown on page 24. We noted two small repair areas, shown in the photograph section of this report, which should be repaired to eliminate a tripping hazard. We recommend regular inspections of the sidewalks to ensure no hazards are present as there are trees growing close to the sidewalks which have already begun to lift the concrete in some areas. (See section IV. A. Photos 3 & 4)

Retaining Walls:

The retaining walls throughout the property appeared to be in good condition with normal aging. On the sidewalk diagram outlined on page 24 we have also assigned numbers to each wall for the purpose of identifying them in this report.

Retaining Wall #1, 2, & 3 are adjacent to building four and are in good overall condition, with signs of normal aging. (See section IV. A. Photos 5 - 7)

Retaining Wall #4 is located near the entrance, bordering sidewalk #7, and is in good overall condition for its age. (See section IV. A. Photo 8)

Retaining wall #5 is located along Granary Drive and is also in good overall condition for its age.

We recommend cleaning the retaining walls with an algae, mold, and mildew remover, and sealing them with a penetrating sealant, at least every five years, as part of the regularly scheduled maintenance. When the walls reach their useful life we have provided a budget to replace each wall with a segmental block in lieu of lumber to reduce maintenance expenses in the future.

Fire Hydrant:

We were informed that the fire hydrant closest to building Four is out of order. We recommend tagging the hydrant as "out of service" as soon as possible and notifying the local fire department, if it has not been done already.

It is our understanding that Baltimore City Department of Public Works will need to be contacted to coordinate the water shutoff as the City is responsible for the water supply. We have provided an estimated budget for replacement however unforeseen variables such as permitting and possible fees from D.P.W. are not reflected in this price. (See section IV. A. Photo 2)

Building Exterior:

The balconies appeared to be in good condition based on a visual inspection from the ground. The railings were recently replaced with Trex or an equivalent composite deck board, and are in good condition. (See section IV. A. Photo 9)

Adjacent to each building there are privacy walls which serve the patio areas on the front side of the buildings. Each wall appeared to be in good condition however

Physical analysis continued on next page.

the wall located on the south east corner of building four was overgrown with ivy. We recommend removing this ivy as soon as possible to help preserve the useful life of the privacy wall. (See section IV. A. Photos 9 & 12)

The exterior doors were in good condition overall and well maintained. In each trash room we noted that the dumpster is brought through the doors as part of regular building operations. We observed both doors were damaged and did not close without regular adjustments being made. When the doors are replaced, we recommend ensuring that the doors can easily be propped open to ensure the dumpster does not cause further damage. We also noted that the existing transitions were damaged from the dumpsters being rolled over them, so we recommend a smooth door threshold is installed to reduce the damage to this area. (See section IV. A. Photo 10, 11 + 13)

The roof has reached its useful life and is being replaced by Merlo Brothers Roofing. The actual cost of the project has been built into this report. (See section IV. A. Photo 14)

The atrium ceiling is a glass curtain wall system, and appears to be in good condition. No leaks were apparent during our site visit. (See section IV. A. Photo 15)

Building Interior:

The interior aesthetics of the building were in good overall condition. The flooring, paint, and interior finishes were well maintained. Each lobby area has a atrium with live plants and a seating area. (See section IV. A. Photo 16 + 17)

The Board of Directors has expressed that the interior carpet replacement would be the next priority after the roof replacement and trash compactor replacements. As such, we have provided a budget to replace the carpeting and repaint the halls in three years, however this can be pushed back if requested as the carpeting and paint are in good condition overall.

Building Mechanical:

Each building has an access system with a Kantech door controller and cabinet, and a Apha Touch video entry panel. Building Two has a camera system, although no monitor was present so the cameras could not be viewed.

As such we have provided a budget to replace the missing monitor. (See section IV. A. Photos 18 + 19)

We were informed during our site visit that the trash compactors in both buildings are beginning to malfunction. One machine was having issues with the piston arm at the time of our visit. As such, we have scheduled this replacement for 2023 and provided an estimated budget for this project. Please note that unforeseen variables may increase the overall cost of this project. (See section IV. A. Photo 20)

We were asked to provide a budget to replace the wall hydrants and domestic water shut-off valves as most are frozen in-place. Since we consider this a high priority item, we have scheduled this project for 2022 and provided an estimated budget. (See section IV. A. Photo 21)

The elevators in each building were in good overall condition and appeared to be recently updated. The alterations tag indicated that most components were modernized in December 2014. (See section IV. A. Photos 22)

In general the mechanical equipment throughout the building appeared to be in good condition and proactively maintained. We did note that in the electric meters rooms items are being stored against main breaker panels. For safety reasons, and per Code, no items can be stored within three feet of a panel. We recommend removing these items as soon as possible to prevent a potential liability or Code violation. (See section IV. A. Photo 23 - 24)

II.B. FINANCIAL ANALYSIS

Per the Component Method, your community's Capital Replacement reserve account is funded to **49%** of the "Fully Funded" level. Based on this we recommend that the Community perform a special assessment to collect a portion of the funds needed for the erosion repairs to the stormwater pond. The Component Method, as further defined in this report, is a straight line analysis of each component without consideration for interest earned on your fund or current inflation rates. For purposes of this report we use reported construction inflation versus consumer price inflation as this is more true to the replacement costs.

The Cash Flow Method, which gives a more global picture and INCLUDES interest earned and inflation, shows that with no changes to the current annual contributions, the capital reserve account is calculated to become underfunded in **2038**. This is primarily due to the amounts paid to repair, replace or maintain scheduled components being greater than the funds that the Association is collecting to fund its Capital Reserve Fund.

Lenders such as Fannie Mae and Freddie Mac have specific guidelines regarding reserve accounts. One requirement is that the association has a minimum annual budgeted replacement reserve allocation (contributions) of 10% of the total annual operating income (see section V. No 13 & 14 for references).

Any community falling short of this 10% budgeted reserve requirement can use a reserve study showing adequate funding as an alternative. The Cash Flow analysis and 40 year account balance graph in Section III.C.2.a. details two (2) potential funding plans to ease the amount of influx of funds needed to keep reserve accounts at a healthy level. It is recommended to maintain the accounts up to at least a 70% "fully funded" status as favorable lender reviews should result.

RECOMMENDATIONS:

Based on using both the Component Method and the Cash Flow Method to calculate and analyze the funds needed to replace the Association's assets, we recommend the following courses of action:

1. Based on the funding strategies explored (see section III.2.a, Optional Funding Plans), **Option B** appears to be the best suited for the association at this time to stay competitive with other communities and to maintain a sustainable path to the future.

It is important that the association strive to maintain a healthy Reserve Fund that can foresee the major expenses in the future without special assessments and significant percentage increases to annual contributions. With the recommended funding methods noted in Section III.C.2. your association will have the necessary funds to replace components for the duration of this 40 year study. These recommendations are based on the account balance earning an annual 2.5% interest compounded quarterly and applying a 3.5% inflation rate annually. Though this funding plan should be sufficient for the next 40 years, a reserve study update should be completed every 3 years to adjust the remaining life of the reserve assets, to adjust for any changes in the inflation and interest rate, and to list any unforeseen or sooner than normal asset replacements that may occur as the community ages.

2. Invest in a system to store paper and electronic documents such as site drawings, contracts, proposals and warranties for repairs to and replacement of assets of the community. These important documents will be needed in the future for contractor bidding, detailed locations and quantities of assets such as asphalt, roofing, sidewalks, etc. Since these paper prints will, in time, deteriorate, we recommend that the most important documents be scanned so that an electronic copy can be archived and copies made for use. We do not recommend relying on any Management company to be the only holder of the documents for your community. Storing them in a cloud based system might be the easiest for all to use.

3. Create an approved "Plan of attack" to begin scheduled replacement items on a "proactive" approach rather than on a "reactive" approach. This should be updated annually. This Strategic Replacement plan will then become the basis for all future repairs and maintenance.

4. Have this study updated on paper annually with a minimum physical inspection conducted every three years to review the aging of the components and to adjust pricing and estimated remain life expectancies.

III.A. Assumptions

This report assumes that all of the assets listed herein are the responsibility of Annen Woods 2 to replace when they reach the end of their useful life. Based on our review of the documentation available, the following additional assumptions have been made as to items that are not included in this report. The Client should review these assumptions for their accuracy as further research to determine their inclusion is currently beyond the scope of ASG's contracted service.

1. The recommendations for asset replacements will be carried out.
2. Normal Maintenance & Servicing of components will be completed

III.B. Methodology

A Capital Reserve Study is a report giving an "estimate" of the amount of money which must be put aside to replace the major items (or building components) that will wear out before the entire community or project wears out. Per the Community Associations Institute's (CAI) standards this study is presented with both the "Component Method" of Analysis, and a Cash Flow analysis. The "Component Method" is a straight line analysis of each individual listed asset (component) that compares the current replacement cost against the remaining life of that component.

Calculations are made to assign an available current reserve funds to that individual component. This step must first be completed to establish the list of components

and when they are anticipated to be replaced. The "Cash Flow Method" of analysis takes the estimated remaining life of all components and reviews the funds required from year to year (ASG studies a 40 year time frame). As the estimated annual expenses occur along with the annual contributions, a running total balance can be analyzed to see if the total pool of money will be enough to fund all needed future replacements. It is common that the Component summary will show more money is needed to bring the account to a "fully funded" status whereas the "Cash Flow Study" might show that the pool of money is adequate to handle the future expenses. The Cash Flow method gives the long term view and as such tends to be a better picture of the total reserve fund. Care must be taken however to not "borrow" cash from the funding of long term replacement items.

The "Cash Flow" analysis includes interest earned and inflation on projected expenses.

The commonly accepted guidelines as established by "CAI", the National Association of Certified Public Accountants, and the judgment and architectural experience of Architectural Support Group, LLC. have been used as a basis for the reserve schedules included in this report. The schedule, when implemented in conjunction with a well planned preventative maintenance program, should provide adequate funds for the replacement of the facility's assets as they reach the end of their useful lives. In order to assure that this schedule remains current, a re-assessment of the existing condition and replacement costs for each item is necessary a minimum of every three (3) years. Annual "paper" updating of the schedule, reduction of the useful lives, and adjustment of the replacement costs (if needed), may be executed without the need for a reexamination. The schedule must also be adjusted as common elements are added or modified. This is especially important if the organization will be adding future assets such as nature trails, asphalt pathways, etc. on site. It is very important to note that this reserve schedule must be reviewed relative to the overall operating budget for this association with your tax advisor. The client's review should assure that no overlap exists. An example of this would be the inclusion of an item in the reserve schedule which also

has a maintenance contract to replace the item as it wears out. Based on our review, it appears no such overlap exists. As a final note, ASG has no other involvement with this entity that might present a conflict of interest.

III.C. Definition of Schedule Categories

Estimated Remaining Life

ASG conducted site visits to develop an approximation of the remaining life of each asset depending on its current condition. Many items are not visible, hence it must be assumed that it was installed under some type of professional overview. The estimated remaining life is the estimated useful life minus the asset's length of time in service. Adjustments in the negative direction are made when the asset is aging prematurely, construction defects are found or assumed to exist. Adjustments in the positive direction may be made if timely repairs and/or maintenance have been made. This is usually a subjective analysis by the field technician, and is not intended to be a full condition assessment of the physical properties of the assets.

Condition Code

During the visual condition examination, items observed were given the following general descriptions to help the reader understand the assets condition. The following codes and explanations relate to each noted asset.

UC - Unsafe conditions exist, which should be addressed immediately.

RN - Repairs needed now to minimize further asset degradation.

FA - Further analysis should be performed beyond this scope due to limited sampling or limited visual symptoms available during the site visit.

NATT - None at this time other than creation of reserves for replacement.

IA - Immediate action is needed to correct deficiencies.

MR - Major repairs or upgrade needed.

Notes:

The categorized schedules typically will include a listing of specific notes for certain line items. These notes are given to advise the client of the need for special attention, immediate action, or needs for further study. The lack of a note typically indicates that the component is aging normally and will require replacement in a normal time frame provided proper maintenance.

3. The "Cash Flow Method" Of Funding

Included in this report is a cash flow analysis per the requirements of the CAI National Reserve Study Standards. As this study includes all of the association's assets no matter how long it will take to require replacement, the analysis projects income and expenses over a 40 year period.

This analysis is for cash income and expenses and includes interest and inflation adjustments. The attached spreadsheet in chapter III. Section E. shows the income and expenses and account balance (principal) over 20 years and charts the account balances over 40 years. Annual updates and adjustments for age and items replaced should be made. As such, the "Current Year Reserve Funding Required" includes all assets even beyond the 20 year period.

If your association is currently not adequately funding the reserve accounts, we have included some alternate funding plans for you and your Accountant's consideration. Using both the component and cash flow methods will provide you with a clear picture of the financial needs of your facility as it ages over time.

III.C. Definition of Component Schedule Categories

1. The "Component Method Summary"

(See Section III.C.1. Page 11)

Replacement Reserve Major Asset Categories

The major reserve categories are organized on the following schedules by major asset subgroups. If the community has been constructed in multiple phases over the course of many years, a delineation by phase (2 year increments minimum) is also included.

-The following are summaries from the schedules in Section III.C.1a

Replacement Cost Present Dollars

This is the estimated cost of replacing the listed line items in present day dollars. These numbers are taken from the individual spread sheets of each major physical asset category. They are based on general cost estimates of the quantified assets.

Current Reserves Required

The amount that should be in the reserve fund in present dollars based on the replacement cost and the amount expended (aged) to date. This number is strictly a guide to judge current reserves funding.

Current Reserve Funds Available

This number is provided by the client, and indicates dollars available to the organization in reserve designated account(s). The total is given by the client, the amounts per asset category are taken from the individual spread sheets.

Balance Requiring Funding

Difference between current reserve funds available and current reserves required.

Calculated Monthly Contribution

Yearly reserve funding required divided by twelve.

Calculated Annual Contributions

The recommended total annual contribution to the reserves for the upcoming period in order to provide for adequate funding.

Divide this number by the number of units to get the per unit annual assessment for replacement reserves. A comparison of the current annual reserve contribution budget is made to the total recommended annual reserve contribution. It is very common that organizations having their first reserve study are finding that they are underfunded to replace the long term items.

2. The "Schedule Of Reserve Components By Category" (See Section III.C.1.a. Pages 12 - 15)

Asset Description

Individual line item assets are grouped in both phases of original construction, where applicable, and by subgroup headings. Assets can be listed more than once due to certain quantities of the asset needing replacement sooner than other quantities.

Quantities

The quantities which are used as a basis for this report were developed by Architectural Support Group, LLC. through a site review and a drawings obtained from management. Basic assumptions for underground unknowns were conducted when necessary.

Unit Cost

The construction and replacement costs used in this report are based primarily on the various publications written by the R.S. Means Company, or by actual known costs from manufacturers or contractors. These are listed in the Bibliography. These prices are then adjusted for inflation using a weighted factor.

Typical Useful Life

The useful life values, which are used as part of this report, are established by industry standards and the field experience of ASG. In order to ensure that all items attain their anticipated useful lives, it is important that a well-planned inspection and maintenance program be established.

COMPONENT METHOD SUMMARY**

LISTED BY MAJOR ASSET CATEGORIES

REPLACEMENT RESERVE MAJOR ASSET CATEGORIES	REPLACEMENT COST PRESENT DOLLARS	CURRENT RESERVES REQUIRED	CURRENT RESERVE FUNDS AVAILABLE	BALANCE FOR FULL FUNDING	CALCULATED MONTHLY CONTR.	CALCULATED ANNUAL CONTR.
SITE ITEMS	\$279,018	\$120,734	\$59,216	\$61,518	\$1,588	\$19,062
BUILDING EXTERIOR	\$566,578	\$385,399	\$189,025	\$196,374	\$11,590	\$139,084
BUILDING INTERIOR	\$957,333	\$379,749	\$186,253	\$193,495	\$8,300	\$99,595
TOTAL	\$1,802,929	\$885,882	\$434,494*	\$451,388	\$21,478	\$257,741

STUDY ID	BASELINE BODI	CHANGE GROWTH	CHANGE PULSE	CHANGE TEMPER	CHANGE SWEAT
48	\$61,675	\$107.07	\$1,284.90	\$447.47	\$5,369.61

PERCENT FUNDED 49%

*The total starting balance of existing Reserve accounts given to ASG by management as of December 31, 2020.

**** See definitions Section III.C. (page 10)**

III.C.1. COMPONENT METHOD SUMMARY

The following charts are the Summary of Replacement Reserve Schedules developed to establish the required funding to replace the major components of the buildings contained in this report, when those items reach the end of their useful life. This Summary Schedule is a compilation of the separate category sheets which follow and shows the COMPONENT METHOD funding analysis.

These funding recommendations will bring the organization's reserves up to "fully funded" under the Component Method of analysis. For further funding recommendations see the Cash Flow Method Summary on page 16.

Refer to page 17 for a CASH FLOW ANALYSIS GRAPH of Annen Woods 2.

COMPONENT METHOD CONCLUSION:

Currently, under the "Component Method" of calculating the needed reserves, Annen Woods 2 is projected to be at **49%** of the "fully funded" level at the end of the 2021 year. The Total Replacement Cost in present day dollars is **\$1,802,929**.

To be *Fully Funded* is to have a reserve balance which will replace each component item at the time replacement is required without taking funds from other future replacement items (\$858,882 is required as of this report).

Based on the Component Method of calculating the needed reserves, which is based primarily on the expenditures of the "Current Reserve Funds Available", the 2021 Reserve Contribution that would be required is **\$257,741** annually to prevent accounts from becoming underfunded. To maintain proper cash flow over time the "Cash Flow Method" of funding on the following pages should be reviewed.

Annen Woods Condominium No. 2

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III. Reserve Study Continued

Reserve Study September 2021

III.C.1.a Component Schedules

ANNEN WOODS CONDOMINIUM No. 2													
SCHEDULE OF RESERVE COMPONENTS BY CATEGORY													
Asset Description	Qty	Unit	Unit Cost-Balt., Md.	Typ. Useful Life	Est. Remain. Life	Replace Cost - Present Dollars	Current Reserve Funds Required	Current Reserve Funds Available	Monthly Reserve Funding Required	Annual Reserve Funding Required	Condition Code	Photo Ref.	Locations/ Notes
ASPHALT													
Asphalt - Mill & Overlay	30,335	S.F.	\$4	25	15	\$121,340	\$48,536	\$24,207	\$540	\$6,476	NATT	1-2	Estimated Budget
Asphalt Repairs (5%)	1,517	S.F.	\$4	5	5	\$6,067	\$0	\$0	\$101	\$1,213	NATT	1-2	Estimated Budget
Asphalt - Seal Coat + Stripe	30,335	S.F.	\$0.30	5	5	\$9,101	\$0	\$0	\$152	\$1,820	RN	1-2	Estimated Budget
Concrete Curb	835	L.F.	\$25	30	15	\$20,875	\$10,438	\$5,206	\$87	\$1,045	NATT	2-3	Estimated Budget
Asphalt Curb - Replace with Concrete	655	L.F.	\$35	25	8	\$22,925	\$15,589	\$7,775	\$158	\$1,894	NATT		Estimated Budget
CONCRETE													
Concrete Sidewalks - Bldg Two	3,328	S.F.	\$10	30	18	\$33,276	\$13,310	\$6,638	\$123	\$1,480	NATT	8, 10	Sidewalks 6 - 9
Concrete Sidewalks - Bldg Four	2,976	S.F.	\$10	30	16	\$29,755	\$13,886	\$6,925	\$119	\$1,427	NATT	3-6	Sidewalks 1 - 5
Concrete Sidewalk Repairs	1	L.S.	\$3,500	5	5	\$3,500	\$0	\$0	\$58	\$700	RN		Estimated Budget
RETAINING WALL													
Retaining Wall #1	84	L.F.	\$40	80	8	\$3,360	\$3,024	\$1,508	\$19	\$231	NATT	5	East side of Building Four
Retaining Wall #2	30	L.F.	\$40	80	10	\$1,200	\$1,050	\$524	\$6	\$68	NATT	6	NE Side of Bldg Four
Retaining Wall #3	22	L.F.	\$40	80	7	\$880	\$803	\$400	\$6	\$69	NATT	7	On SW Side of Bldg Four
Retaining Wall #4	41	L.F.	\$40	80	12	\$1,640	\$1,394	\$695	\$7	\$79	NATT	8	Near Entrance to Parking Lot
Retaining Wall #5	65	L.F.	\$40	80	9	\$2,600	\$2,308	\$1,151	\$13	\$161	NATT		Along Granary Dr.
GENERAL													
Bench	6	Ea.	\$850	15	12	\$5,100	\$1,020	\$509	\$32	\$383	NATT	10	Sitting Area in Parking Lot
Stormwater Catch Basin*	4	Ea.	\$3,500	100	57	\$14,000	\$6,020	\$3,002	\$16	\$193	FA		South of Bldg Two
Fire Hydrant	1	Ea.	\$3,400	80	1	\$3,400	\$3,358	\$1,675	\$144	\$1,725	FA		South of Bldg Two
*Estimated Based on Limited Documentation													
TOTALS						\$275,618	\$117,377	\$58,541	\$1,436	\$17,237			

Site schedule continued on next page

Annen Woods Condominium No. 2

Candlemaker Court • Pikesville • Maryland • 21208

III. Reserve Study Continued

Reserve Study September 2021

III.C.1.a Component Schedules

ANNEN WOODS CONDOMINIUM No. 2													
SCHEDULE OF RESERVE COMPONENTS BY CATEGORY													
Asset Description	Qty	Unit	Unit Cost-Balt., Md.	Typ. Useful Life	Est. Remain. Life	Replace Cost - Present Dollars	Current Reserve Funds Required	Current Reserve Funds Available	Monthly Reserve Funding Required	Annual Reserve Funding Required	Condition Code	Photo Ref.	Locations/ Notes
BUILDING EXTERIOR													
Balcony - Concrete	4,608	S.F.	\$12	30	15	\$55,296	\$27,648	\$13,560	\$232	\$2,782	NATT		Resurface Budget
Balcony - Railing	36	Ea.	\$756	25	21	\$27,216	\$4,355	\$2,136	\$100	\$1,194	NATT		9 - 16' Trex Boards/Patio
Brick Patio Wall-Bldg Two	750	S.F.	\$35	60	17	\$26,250	\$18,813	\$9,227	\$83	\$1,001	NATT	9	East side of Building Four
Brick Patio Wall-Bldg Four	750	S.F.	\$35	60	17	\$26,250	\$18,813	\$9,227	\$83	\$1,001	NATT	12	East side of Building Four
Concrete - Patio	768	S.F.	\$30	10	8	\$23,040	\$4,608	\$708	\$233	\$2,791	NATT		General Maintenance Budget
Entry Skylights	576	S.F.	\$104	70	27	\$59,904	\$36,798	\$18,048	\$129	\$1,550	NATT		Replace with Double Glazed
Exterior Caulking	3,200	L.F.	\$3.30	25	12	\$10,560	\$5,491	\$2,693	\$55	\$656	NATT		Estimated Budget
Doors - Main Entrance	4	Ea.	\$1,838	10	8	\$7,350	\$1,470	\$721	\$69	\$829	NATT	10	Wood Refurbishing Budget
Doors - Steel - Single	2	Ea.	\$2,652	30	18	\$5,303	\$2,121	\$1,040	\$20	\$237	NATT		Estimated Budget
Doors - Steel - Double	4	Ea.	\$4,379	30	15	\$17,516	\$8,758	\$4,295	\$73	\$881	NATT	11	Estimated Budget
Doors - Trash Room	2	Ea.	\$4,379	30	1	\$8,758	\$8,466	\$4,152	\$384	\$4,606	RN	11, 13	Estimated Budget
Fire Department Connection	2	Ea.	\$480	80	45	\$960	\$420	\$206	\$1	\$17	RN		Estimated Budget
Masonry Repairs	1	L.S.	\$6,000	5	5	\$6,000	\$0	\$0	\$100	\$1,200	NATT		General Budget - \$3k per building
Pressure Washing	38,000	S.F.	\$0.50	8	3	\$19,000	\$11,875	\$5,824	\$366	\$4,392	RN	9-11	Soft Wash + Antimicrobial + Sealant
Roofing	1	L.S.	\$213,200	20	1	\$213,200	\$202,540	\$99,339	\$9,488	\$113,861	RN	14	Actual - Merlo Brothers Roofing
Window - Stationary	550	S.F.	\$104	80	37	\$57,200	\$30,745	\$15,079	\$95	\$1,138	NATT	15-16	Lobby Areas
GENERAL COMMON ITEMS													
Lighting - Rear of Building	6	Ea.	\$200	20	1	\$1,200	\$1,140	\$559	\$53	\$641	RN		Est. Installation Cost for Solar Lighting
Lighting	7	Ea.	\$225	20	3	\$1,575	\$1,339	\$657	\$26	\$306	RN	11	Replace with LED Fixture
*Estimated Based on Limited Documentation													
TOTALS						\$566,578	\$385,399	\$189,025	\$11,590	\$139,084			

Annen Woods Condominium No. 2

Candlemaker Court • Pikesville • Maryland • 21208

III. Reserve Study Continued

Reserve Study September 2021

III.C.1.a Component Schedules

ANNEN WOODS CONDOMINIUM No. 2													
SCHEDULE OF RESERVE COMPONENTS BY CATEGORY													
Asset Description	Qty	Unit	Unit Cost Balt., Md.	Typ. Useful Life	Est. Remain. Life	Replace Cost - Present Dollars	Current Reserve Funds Required	Current Reserve Funds Available	Monthly Reserve Funding Required	Annual Reserve Funding Required	Condition Code	Photo Ref.	Locations/ Notes
INTERIOR FINISHES													
Carpet *	8,880	S.F.	\$8.50	15	3	\$75,480	\$60,384	\$30,000	\$1,263	\$15,160	NATT	15,17	Estimated Budget
Paint	40,200	S.F.	\$0.95	10	3	\$38,190	\$26,733	\$13,282	\$692	\$8,303	NATT	15, 17	Estimated Budget
Stairwell Paint	5,120	S.F.	\$0.95	15	10	\$4,864	\$1,621	\$806	\$34	\$406	NATT		Estimated Budget
Luxury Vinyl Flooring	886	S.F.	\$12	20	18	\$10,632	\$1,063	\$528	\$47	\$561	NATT		Estimated Budget
Masonry Repairs	1	L.S.	\$5,000	15	10	\$5,000	\$1,667	\$828	\$35	\$417	NATT		Interior Only
GENERAL COMMON FIXTURES													
Atrium Planters*	2	Ea.	\$538	40	20	\$1,075	\$538	\$267	\$3	\$40	NATT		Overhead Planter
Cluster Mailboxes	2	Ea.	\$4,250	30	20	\$8,500	\$2,833	\$1,408	\$30	\$355	NATT		Estimated Budget
Outgoing Mailbox	2	Ea.	\$175	30	20	\$350	\$117	\$58	\$1	\$15	NATT		Estimated Budget
Doors - Interior, Metal, Single	24	Ea.	\$2,652	30	15	\$63,636	\$31,818	\$15,808	\$266	\$3,189	NATT		Estimated Budget
Doors - Interior - Metal, Double	8	Ea.	\$4,379	30	16	\$35,032	\$16,348	\$8,122	\$140	\$1,682	NATT		Estimated Budget
Doors - Interior - Fire Doors	2	Ea.	\$4,379	30	18	\$8,758	\$3,503	\$1,740	\$32	\$390	NATT		Estimated Budget
Lighting - Lobby Track Lights	30	Ea.	\$60	20	15	\$1,800	\$450	\$224	\$9	\$105	NATT	15-16	Estimated Budget
Lighting - Lobby Light Tracks	46	L.F.	\$23.00	20	15	\$1,058	\$265	\$131	\$5	\$62	NATT	15-16	Estimated Budget
Track Lighting - LED Update	1	L.S.	\$1,150	1	1	\$1,150	\$0	\$0	\$96	\$1,150	RN	15-16	One Time Expense
Lighting - Recessed Cans	52	Ea.	\$95	20	16	\$4,940	\$988	\$491	\$23	\$278	NATT	17	Replace with LED
Lighting - Hallway Up Lights	46	Ea.	\$125	20	7	\$5,750	\$3,738	\$1,857	\$46	\$556	NATT	17	Replace with LED
Lighting - Stairwell	50	Ea.	\$110	20	7	\$5,500	\$3,575	\$1,776	\$44	\$532	NATT		Replace with LED
Lighting - Mechanical Rooms	20	Ea.	\$110	20	7	\$2,200	\$1,430	\$710	\$18	\$213	NATT		Replace with LED
Trash Chute Doors	8	Ea.	\$778	50	20	\$6,224	\$3,734	\$1,855	\$18	\$218	NATT		Estimated Budget

Annen Woods Condominium No. 2

Candlemaker Court • Pikesville • Maryland • 21208

III.C.1.a Component Schedules

III. Reserve Study Continued

Reserve Study September 2021

INTERIOR FINISHES CONTINUED													
Asset Description	Qty	Unit	Unit Cost-Balt., Md.	Typ. Useful Life	Est. Remain. Life	Replace Cost - Present Dollars	Current Reserve Funds Required	Current Reserve Funds Available	Monthly Reserve Funding Required	Annual Reserve Funding Required	Condition Code	Photo Ref.	Locations/ Notes
MECHANICAL													
Access System, Intercom	2	Ea.	\$6,900	20	18	\$13,800	\$1,380	\$686	\$61	\$729	NATT	19	Kantech & AlphaTouch
Camera System Monitor	1	Ea.	\$350	10	1	\$350	\$315	\$157	\$16	\$193	RN	18	Install new Monitor & Maintain
Camera System	1	L.S.	\$5,030	20	1	\$5,030	\$4,779	\$2,374	\$221	\$2,656	RN	18	Camera Maintenance Expected
Domestic Water - Pipe Relining*	880	L.F.	\$44	80	37	\$38,720	\$20,812	\$10,340	\$64	\$767	NATT		General Allowance
Electric Panels & Breakers*	2	Ea.	\$1,600	60	17	\$3,200	\$2,293	\$1,139	\$10	\$121	NATT	23-24	
Elevator, Hydraulic Controls*	2	Ea.	\$170,000	30	24	\$340,000	\$68,000	\$33,784	\$1,063	\$12,759	NATT	22	Future Modernization
Elevator, Hydraulic Cab*	2	Ea.	\$25,000	30	29	\$50,000	\$1,667	\$828	\$141	\$1,696	NATT		
Elevator, Piston (4FL)*	2	Ea.	\$35,000	30	24	\$70,000	\$14,000	\$6,956	\$219	\$2,627	NATT		
Exit Signs - Illuminated	10	Ea.	\$110	15	7	\$1,100	\$587	\$291	\$10	\$116	NATT	17	w/ Batter Backup
Fans - Mechanical Rooms	3	Ea.	\$75	8	2	\$225	\$169	\$84	\$6	\$71	RN		General Budget
Fire Extinguisher	16	Ea.	\$98	5	3	\$1,568	\$627	\$312	\$35	\$419	NATT		
Fire Extinguisher - Cabinet	16	Ea.	\$198	30	22	\$3,168	\$845	\$420	\$10	\$125	NATT		Material & Est. Labor
Fire System - Annunciator	2	Ea.	\$460	20	16	\$920	\$184	\$91	\$4	\$52	NATT		Mid Rise
Fire System - Control Panel	2	Ea.	\$4,500	20	16	\$9,000	\$1,800	\$894	\$42	\$507	NATT		
Fire System Components	16	Ea.	\$150	25	16	\$2,400	\$864	\$429	\$10	\$123	NATT		Lights/Bells/Pull Stations
Heat Pump - Common Areas	4	Ea.	\$8,500	15	10	\$34,000	\$11,333	\$5,631	\$236	\$2,837	NATT		
Heat Pump - Elevator Room	2	Ea.	\$3,650	12	9	\$7,300	\$1,825	\$907	\$59	\$710	NATT		
Heater - Trash Rooms	2	Ea.	\$1,035	15	3	\$2,069	\$1,655	\$822	\$35	\$416	RN		
Heater - Maintenance Office	1	Ea.	\$1,035	15	1	\$1,035	\$966	\$480	\$46	\$555	RN		
Paint - Mechanical Rooms	1,428	S.F.	\$0.95	20	11	\$1,357	\$610	\$303	\$8	\$96	NATT		
Paint - Trash Room Floor	650	S.F.	\$3.65	10	1	\$2,373	\$2,135	\$1,061	\$109	\$1,312	RN	20	Concrete Sealant
Sanitary Sewer Line*	600	L.F.	\$44	80	5	\$26,400	\$24,750	\$12,297	\$235	\$2,821	RN		Pipe Relining - Original Cast Iron
Sump Pump*	2	Ea.	\$1,238	10	4	\$2,476	\$1,486	\$738	\$36	\$434	RN		
Trash Compactor*	2	Ea.	\$16,500	35	2	\$33,000	\$31,114	\$15,458	\$731	\$8,771	FA	20	
Trash Dumpsters	2	Ea.	\$1,845	20	15	\$3,290	\$823	\$409	\$16	\$192	NATT		
Water Shut-Off Valve - Domestic Supply*	48	Ea.	\$347	50	1	\$16,664	\$16,330	\$0	\$1,389	\$16,664	FA		Incl. Hose Bibs
Wall Hydrant	8	Ea.	\$969	50	1	\$7,750	\$7,595	\$0	\$646	\$7,750	FA	21	Replace with Frostproof Enclosed Hydrant
*Estimated Based on Limited Documentation													
TOTALS						\$957,333	\$379,749	\$188,670	\$8,262	\$99,147			

III.2. THE CASH FLOW METHOD SUMMARY

A review of the "Cash Flow" method (see page 16) reveals that the reserve account will not have sufficient funds available in 2038 for future replacements if maintained at current levels. In order to maintain a positive cash position in the Capital Reserve Fund through the next 40 years, the existing reserve contribution would need to be increased annually to prevent the Reserve account from becoming underfunded due to expected replacements.

Using the Cash flow spreadsheet we found two ways that the reserve account could be brought into a positive funding situation.

Option A (see page 17)

Our Cash Flow projection shows graduated increase in annual reserve fund contributions of \$5,000 each year until 2028. This equates to approximately 7.14% annual increase in 2022, 6.7% in 2023, 6.3% in 2024, and 5.9% in 2025. Each year the annual percentage decreases until 2029 when the annual increase reduces to a 2.5% and stabilizes for the following years.

Option A is based on a minimum threshold target of \$240,000.

Option B (see page 17)

An alternative method of maintaining Reserve Funds at positive levels would be to increase the annual reserve contribution to \$64,450 in 2022, with a subsequent annual increase of 4.5%.

Option B is based on a minimum threshold target of \$90,000.

Under Options A & B your Capital Reserve fund will have the necessary funds to repair/replace future scheduled components for the duration of this 40 study without becoming underfunded.

ASG recommends the association's accountant may be able to suggest additional strategies to reach desired funding levels.

Our cash flow does take into account interest on the reserve account, which we calculated at 2.5% based on average returns, and we used an inflation rate of 3.5% compounded annually. While earned interest in the next few years may be close to zero, 2.5% has been established as a report average.

Construction costs can fluctuate tremendously at a higher percentage rate than the average consumer rates of inflation. We recommend for that reason alone, that the organization update their reserve study at least every three years as it would reflect current situations with the facility's assets, reserve accounts, interest and inflation costs and not projected.

In general, as a community ages, more expensive assets will require repair and/or replacement potentially depleting the reserve account. We highly recommend placing assets that require regular maintenance (such as concrete, asphalt rejuvenation and brick repointing) on inspection schedules to make sure assets are properly maintained before areas can become severely deteriorated requiring either earlier than anticipated replacement or more costly repairs.

It is our opinion, based on this analysis, that your Association will need to increase the annual contribution at a minimum of 4.5% annually to prevent under funding over the next 40 years. It is important to prevent the need of special assessments to cover scheduled replacements and repairs. Based on its current component schedule this strategy should be sufficient to maintain positive reserve funding levels at Annen Woods 2 for the duration of this 40 year study.

Site Components

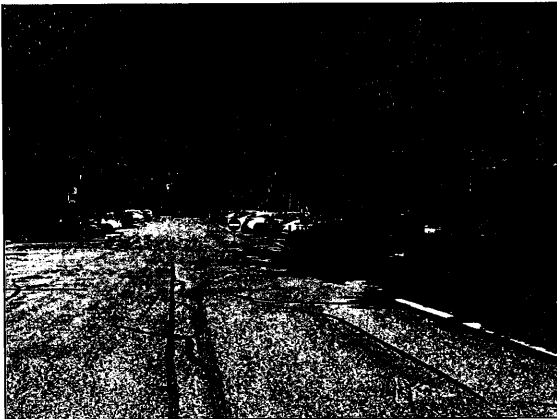


Photo 1: Asphalt conditions as viewed from the main entrance to the property.

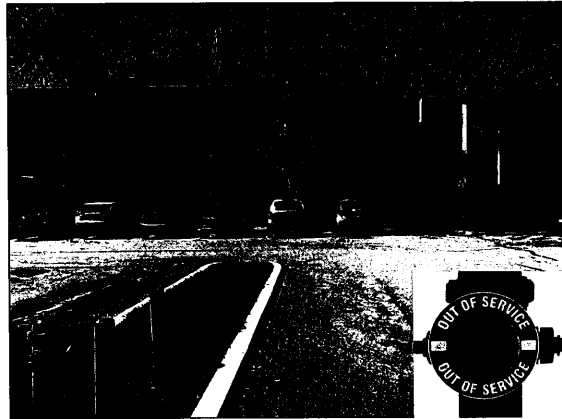


Photo 2: Asphalt conditions as seen from the east side of the property. Note the fire hydrant in this photo is the hydrant that is not operational and should be tagged as shown in the attached image until it is repaired or replaced.



Photo 3: Concrete sidewalk conditions as seen in front of building Four.

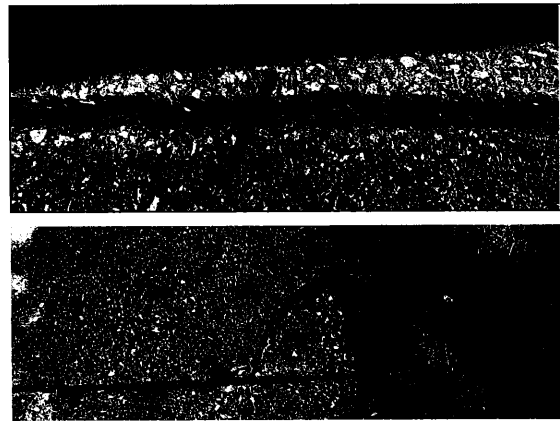


Photo 4: Concrete repairs needed adjacent to building Four.

Site Components



Photo 5: Retaining wall #1, located on the east side of building Four.



Photo 6: A section of retaining wall #2, located on the north east side of building Four.

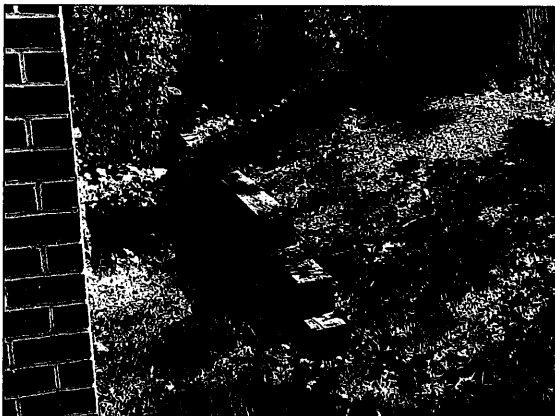


Photo 7: Retaining wall #3, located on the west side of building Four.

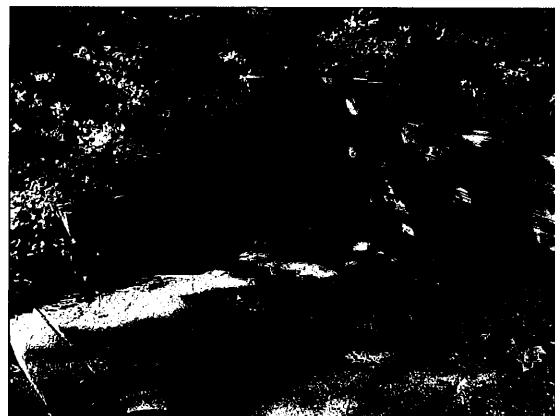


Photo 8: Retaining wall #4, located on the south side of the property, near the main entrance.

Site Components



Photo 9: Typical example of the 1st floor privacy walls and balcony railings.



Photo 10: Entrance to building Two.



Photo 11: Typical example of the exterior double doors and exterior lighting.

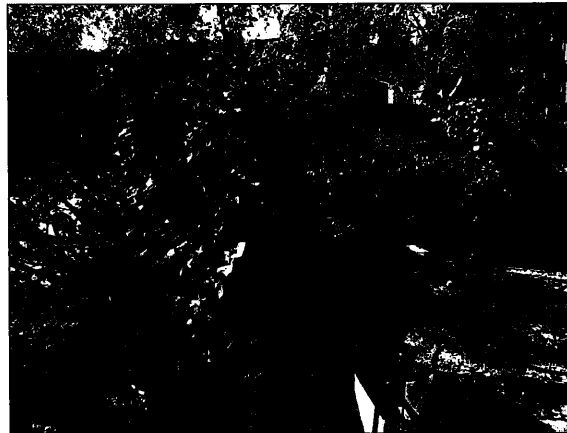


Photo 12: Example of the privacy wall located on the south east side of building Four, with ivy growth.

Site Components

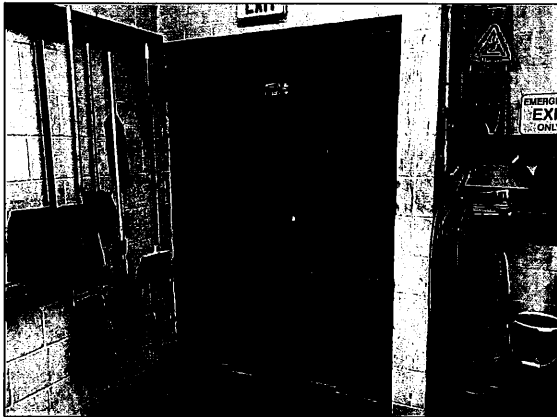


Photo 13: Typical example of the trash room doors. Note the transition is depressed from the dumpster being rolled over it regularly.

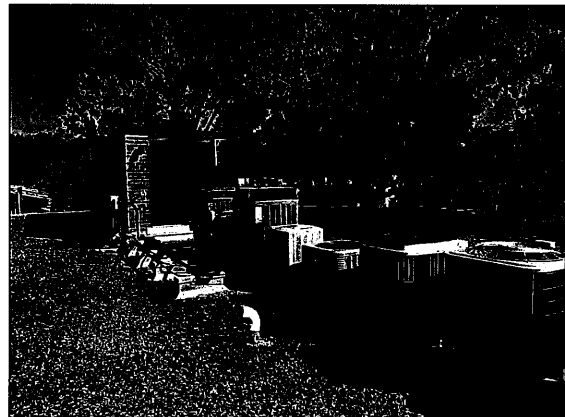


Photo 14: Typical example of the rooftop and roof access.

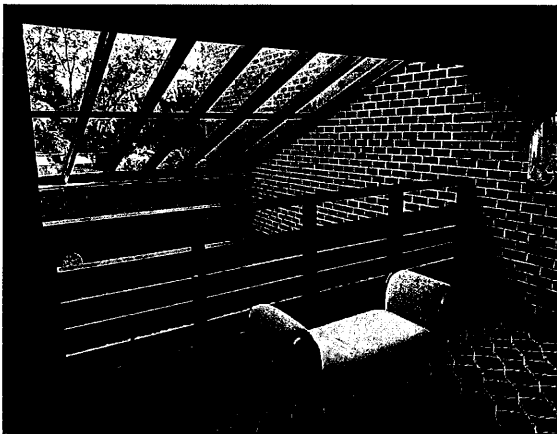


Photo 15: The atrium ceiling as seen from the second floor.

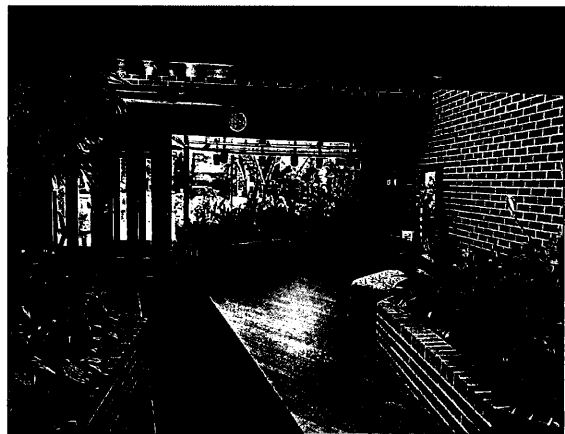


Photo 16: Example of the lobby finishes and garden areas.

Site Components

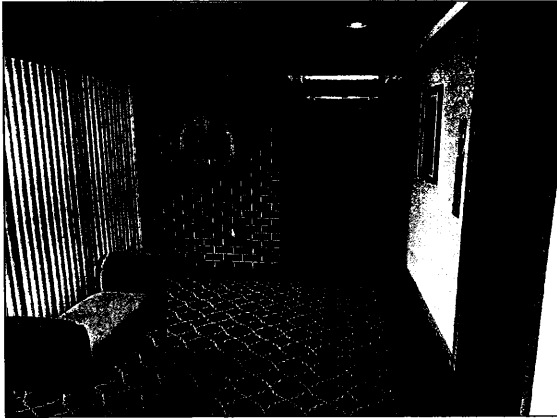


Photo 17: Example of the elevator lobby area, carpeting, and interior aesthetics.



Photo 18: Example of the modulator and amplifier for the camera system. Please note that there is no monitor to view the cameras at this time.

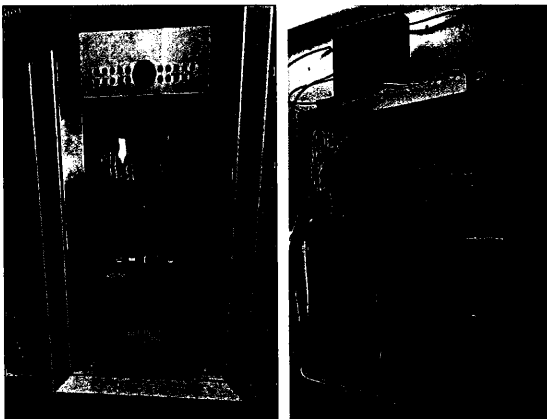


Photo 19: Example of the entry system panel and controls.

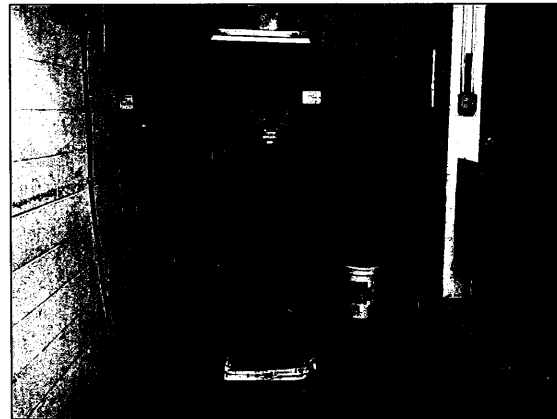


Photo 20: Example of one of the trash compactors.

Site Components

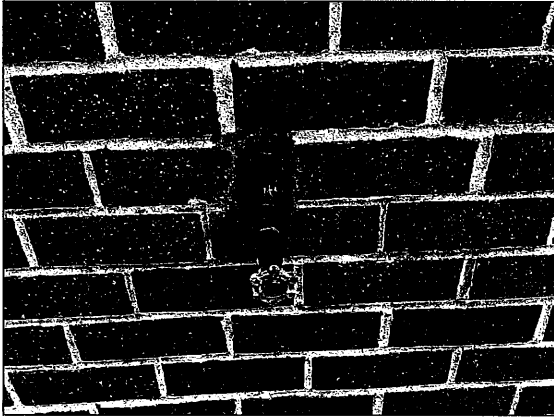


Photo 21: Example of frost proof hose bib.

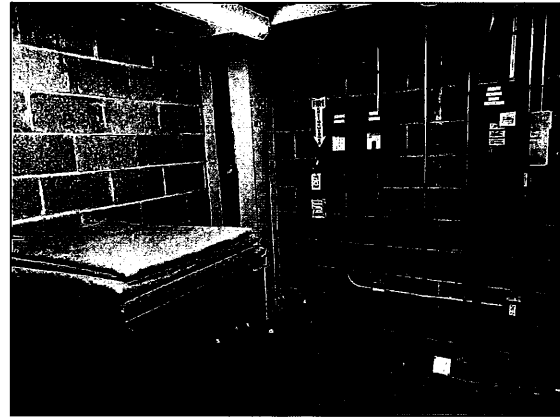


Photo 22: Example of the elevator machine room.

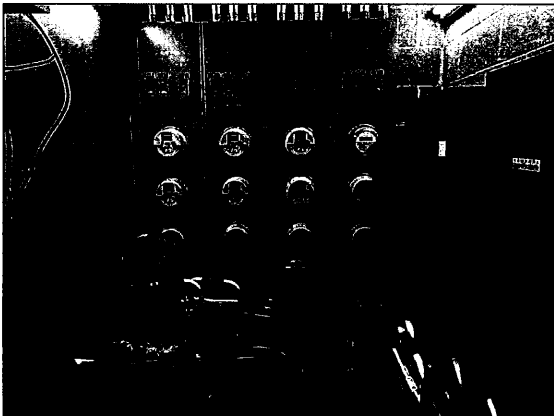


Photo 23: Example of the meter room in building Two
Note the items being stored in front of the breaker panel.

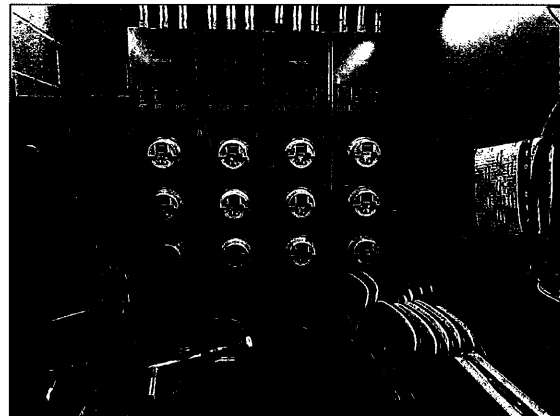
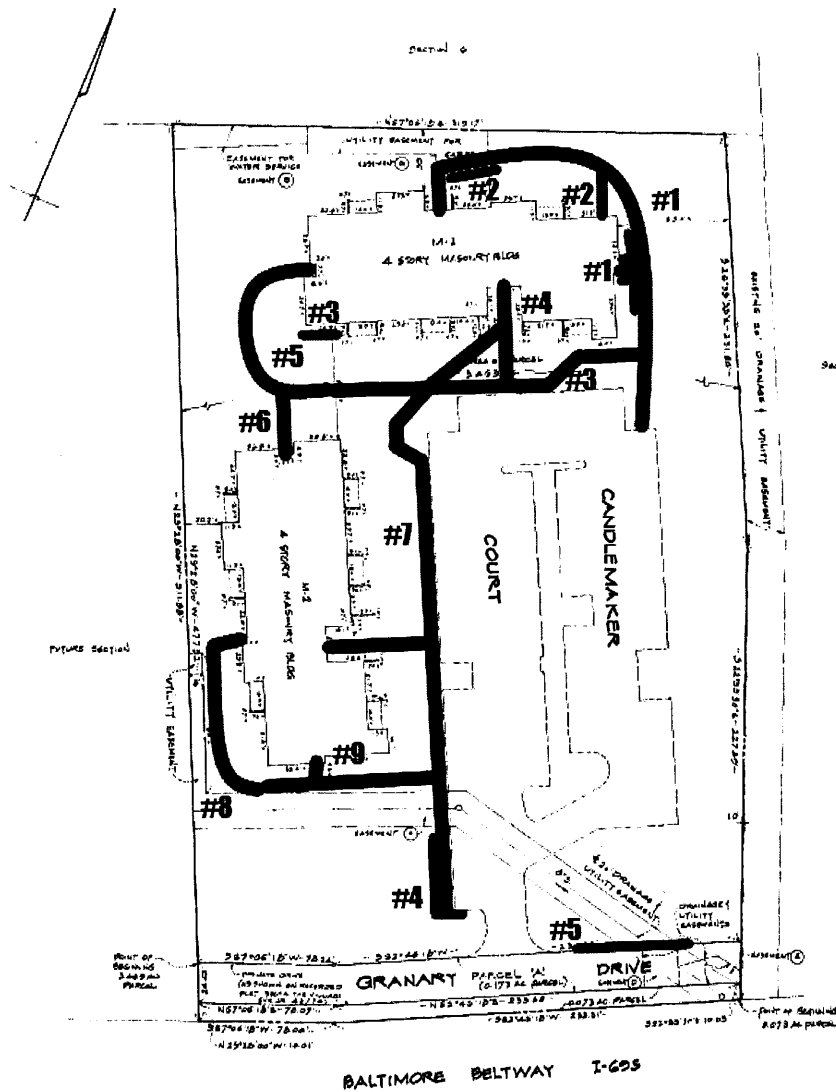


Photo 24: Example of the meter room in building Four.
Note the items being stored in front of the breaker panel.

Site Diagram



Sidewalks are numbered in Red

Retaining Walls are numbered in Blue

5-Year Prioritized Replacement List by Remaining Life

Asset Location/Description	Quantity	Unit	Unit Cost	Est. Remain. Life	Current Replace. Cost
Fire Hydrant	1	Ea.	\$3,400	1	\$3,400
Doors - Trash Room	2	Ea.	\$4,379	1	\$8,758
Roofing	1	L.S.	\$213,200	1	\$213,200
Lighting - Rear of Building	6	Ea.	\$200	1	\$1,200
Track Lighting - LED Update	1	L.S.	\$1,150	1	\$1,150
Camera System Monitor	1	Ea.	\$350	1	\$350
Camera System	1	L.S.	\$5,030	1	\$5,030
Heater - Maintenance Office	1	Ea.	\$1,035	1	\$1,035
Paint - Trash Room Floor	650	S.F.	\$4	1	\$2,373
Water Shut-Off Valve - Domestic Supply*	48	Ea.	\$347	1	\$16,664
Wall Hydrant	8	Ea.	\$969	1	\$7,750
ESTIMATED REPLACEMENT COST 2022 (Year 1)					\$260,909
Trash Compactor*	2	Ea.	\$16,500	2	\$33,000
ESTIMATED REPLACEMENT COST 2023 (Year 2)					\$33,000
Pressure Washing	38,000	S.F.	\$0.50	3	\$19,000
Lighting	7	Ea.	\$225	3	\$1,575
Carpet *	8,880	S.F.	\$8.50	3	\$75,480
Paint	40,200	S.F.	\$0.95	3	\$38,190
Fire Extinguisher	16	Ea.	\$98	3	\$1,568
Heater - Trash Rooms	2	Ea.	\$1,034.65	3	\$2,069
ESTIMATED REPLACEMENT COST 2024 (Year 3)					\$137,882
Sump Pump*	2	Ea.	\$1,238	4	\$2,476
ESTIMATED REPLACEMENT COST 2025 (Year 4)					\$2,476
Asphalt Repairs (5%)	1,517	S.F.	\$4	5	\$6,067
Asphalt - Seal Coat + Stripe	30,335	S.F.	\$0.30	5	\$9,101
Concrete Sidewalk Repairs	1	L.S.	\$3,500	5	\$3,500
Masonry Repairs	1	L.S.	\$6,000	5	\$6,000
Sanitary Sewer Line*	600	L.F.	\$44	5	\$26,400
ESTIMATED REPLACEMENT COST 2026 (Year 5)					\$51,068

Maintenance Recommended Schedule

Items By Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Asphalt												
Balconies												
Camera System												
Concrete Curb & Gutter												
Concrete Sidewalks												
Entry System												
Exterior Brick												
Exterior Doors												
Fire System												
Interior Brick												
Interior Doors												
Lighting												
Plumbing - Valves & Connections												
Retaining Walls												
Trash Compactor												
Windows												



Minimum recommended inspection/ maintenance interval*

- 1) Architectural Support Group, LLC
Olney, Maryland
Field Notes, 2021
- 2) National Reserve Study Standards for the Community Associations Institute 2003
- 3) Building Construction Cost Data
By R.S. Means Company, Inc., 2020
- 4) ENR Architect's Square Foot Costbook, 2010
- 5) Condominium Budget Guidelines
By Richard Wyndhamsmith, ASA, ACCI, SCV
Condominium Research Corporation, 1983
- 6) Total Asphalt-Achieving new levels in pavement performance, 2011
- 7) Time Saver Standards for Site Planning
By Joseph DeChiara and Lee E. Koppelman McGraw Hill, 1984
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YOUR REFERENCE.**

Council of Unit Owners of Annen Woods Condominium No. 2

Rules and Regulations



ANNEN WOODS CONDOMINIUM #2

HANDBOOK

For

UNIT OWNERS

BOARD OF DIRECTORS

October, 1998

TABLE OF CONTENTS

INTRODUCTION	3
PROHIBITIONS AND NUISANCES.....	3
COMMON ELEMENTS	3
VEHICLES	4
SIGNS/POSTERS.....	4
TRASH	4
ANTENNA	5
STRUCTURE	5
GENERAL	6
THE CUSTODIAN.....	7
SECURITY	7
BEFORE LEAVING TOWN	8
THE LUGGAGE CART.....	8
HALLS AND FOYER.....	9
WORK ORDERS	9
DAMAGE IN THE COMMON AREA.....	9
FIRE ALARM	9
VISITORS	10
EMERGENCY NUMBERS	10
CLOSING COMMENTS	10

INTRODUCTION

The By-Laws of Condominium #2 specify prohibitions and nuisances or in effect "do's and don'ts" to be followed by unit owners. Over the years additional rules have been promulgated to enhance the quality of life in the condominium.

Some of the more important By Laws and rules are set forth below:

PROHIBITIONS AND NUISANCES

1. No noxious or offensive trade or activity shall be carried on within the Condominium or any Unit situated thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other owners. Residents shall be considerate of their neighbors in the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.
2. Nothing shall be done or maintained in any Condominium Unit or upon any common elements which will increase the rate of insurance on any Condominium Unit or common elements, or result in the cancellation thereof, without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any Condominium Unit or upon common elements which would be in violation of any law. No waste shall be committed upon any common elements.
3. No external structural alteration, modification, construction, addition or removal of any Unit or common element shall be commenced or conducted without the prior written approval of the Board of Directors.
4. The maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Condominium Unit or upon any common elements, except that this shall not prohibit the keeping of fish and/or caged birds as domestic pets provided that they are not kept or maintained for commercial purposes or for breeding.

COMMON ELEMENTS

5. The common elements shall be used in accordance with rules and regulations established by the Board of Directors, but in any event no part of the common elements shall be used for commercial purposes. Anyone who attempts to alter or destroy common elements (and this includes landscaping, hallways, etc.) will be held responsible for damages that result and will be liable for removal and replacement of said property.
 6. There shall be no obstruction of any common elements. Nothing shall be stored or placed upon any common elements without the prior written approval of the Board of
-

Directors, excepting the parking of vehicles in parking areas. Two specified parking spaces upon the common elements may be assigned to each unit owner as a limited common element for each said Owner's exclusive use upon the vote of the unit owners to amend the Condominium Declaration as provided in said Declaration.

VEHICLES

7. No junk vehicle or other vehicle on which current registration plates are not displayed, trailer, truck, camper, camp truck, van, house trailer, boat or the like shall be kept upon any of the common elements, nor shall the washing, repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the common elements.
 - a. "Face-in" parking is required (fumes destroy grass and damage shrubs.)
 - b. Unit owners on vacation for more than a few days are required to park their cars in the spaces farthest from the buildings so that on-site occupants have access to convenient spaces.
 - c. Owners with two or more cars are to park additional cars in spaces other than "prime spots" (directly in front of the buildings) as a matter of courtesy to your neighbors.)
 - d. All unit owners are required to obtain an Annen Woods parking sticker for their cars. Stickers for each car can be obtained from the maintenance supervisor.
 - e. Do not use the parking lot to deposit trash from car.

SIGNS/POSTERS

8. No signs, advertisements or posters of any character shall be erected, posted or displayed upon, in, from or about any Condominium Unit or common elements without the prior consent in writing of the Board of Directors and under such conditions as they may establish. The provisions of this subsection shall not be applicable to the institutional holder of any mortgage of any Condominium Unit by reason of any remedies provided for in the mortgage, foreclosure of any mortgage or any deed of trust, or other proceeding in lieu of foreclosure.

TRASH

9. No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any Condominium Unit or upon any common elements, nor shall trash or

garbage containers be permitted to remain in public view, except as may be reasonably required during construction, maintenance or repair of the Condominium. All trash shall be placed, and only placed, in areas designated by the Board of Directors.

- a. Observe the trash deposit time posted in the trash chute rooms which is 5:00 am until 10:00 pm to preclude disturbing unit owners residing adjacent to Trash Room. Should trash not be deposited properly it can cause the compactor to continually cycle and malfunction thus requiring extensive and expensive repairs.
- b. All trash shall be placed in tied plastic bags before being deposited in the chute. Bag shall be tied to assure exit down the chute.
 - i. No loose paper or containers are to be thrown down the chute.
 - ii. No loose food containers are to be left on the floor of the trash chute room. This attracts rodents, roaches, etc.
 - iii. Loose newspapers are to be deposited in a container that is in the trash chute room.
 - iv. Bottles may be thrown down to the compactor if placed in a tied plastic bag. (Wrap the glass in paper before putting it in the bag.)
 - v. Old carpeting, paint cans, wallpaper, tiles and other similar materials should not be thrown in the compactor. Unit owners are responsible for disposing of these materials by some other authorized method. These types of materials will clog the chutes and/or damage the compactor. Anyone damaging the chute or compactor will be responsible for its repair.

ANTENNA

10. No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any common element without prior written consent of the Board of Directors, subject to FCC regulations. Problems associated with personal television reception, are initially the responsibility of the unit owner.

Should security channel (6) malfunction a "work order" should be filed with Maintenance Supervisor and/or notify a Board member if condition is not corrected.

STRUCTURE

11. No structure of a temporary character, trailer, tent, shack, barn or other outbuilding, outdoor clothes dryers or clothes lines shall be maintained upon any common elements nor upon any patio or balcony at any time.

12. No change may be made in the appearance of the exterior of any Unit without the prior written consent of the Board of Directors, or as otherwise provided herein.
13. Each unit owner shall maintain his patio or balcony in a neat, clean, orderly fashion. Cooking and the hanging of clothing, bedding, linen or other items of personal property, including wiring, on the patio, balcony, or any other exterior part of the building is prohibited.
 - a. Each unit owner is required to keep his own patio/balcony area clean and free of any material that could attract birds, insects, rodents or animals to the building.
 - b. Unit owners are not permitted to shake tablecloths out over their balcony.
14. In order to achieve uniformity of appearance on the building exterior, vertical blinds, white in color, shall be required for all windows and glass doors within the Units. Unit owners may install drapery in addition to said blinds provided that for the exterior of the building such drapery appears white, and only white, in color. No other window or glass door treatments are permitted.

GENERAL

15. There shall be no violation of any rules for the use of the common elements or other rules and regulations, which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in these By-Laws authorized to adopt such rules and regulations as they may deem appropriate.
 - a. When furniture is to be moved into a unit, the custodian should be notified (the day before) so that padding can be placed on the elevator walls.
 - i. Should there be a need to use of the elevator for a move or there are several items to be placed on same, do not tie up the elevator while you run back and forth to collect the items. This adversely impacts on others in the building from using the elevator. The elevator should not be placed on hold inordinately it should be available at all times.
 - b. Elevators are available for all of the unit owners' convenience. Children or grandchildren are not allowed to misuse the elevator as a toy. Any damage caused as a result of this misuse will be the responsibility of the unit owner.
 - c. The floor of the elevator is not to be used for trash. Unit owners are responsible for cleaning up their spills in the elevator or notify the custodian.
16. In the event of breach of any of the provisions of the Condominium Declaration, By-Laws or rules adopted by the Board of Directors pursuant hereto by any unit owner, his/her guests or tenant, the Council, through its officers, managers or other agents,

shall take such action as it shall deem appropriate, including legal action through court process, to cure such breach and cause an abatement thereof. All costs of taking such action, including the time of employees of the Council in connection therewith, counsel fees and all other costs and expenses incurred in connection therewith, shall be a charge against the unit owner who, or whose tenants or guests, causes such breach, payable to the Council on an individual assessment basis.

THE CUSTODIAN

17. The custodian's job is to maintain buildings and land that comprise Annen Woods Condominium #2. Do not requisition help during his scheduled working hours which are from 5:00 am until 4:00 pm Monday through Friday.
18. You may make specific arrangements with the custodian to help you under the following circumstances:
 - i. Before official start of day.
 - ii. During lunch break (If he is available).
 - iii. After official work day.
19. Do not request custodian's assistance any other time than stated above. It may cause him to lose his position.
20. Should there be complaints regarding custodian work performance notify the Board of Directors and/or Management in writing.

SECURITY

21. Do not prop the locked lobby door open for any reason or leave it ajar at any time unless you are present.
22. Care should be exercised regarding possession of lobby key. Building security is compromised if keys are casually distributed.
23. Do not ring the buzzer to admit someone until you have checked on the lobby television to determine that the person is known. This will preclude unauthorized persons from entering the building.
24. When going on vacation notify management of someone in the building who can be contacted should entry to United be required. (Key should be left with a neighbor or family member for that purpose).
25. Emergency exit doors, at the bottom of the stairwells must be kept closed. Entry to and exit from the buildings is only through the lobby doors.

BEFORE LEAVING TOWN

26. When leaving town, it is recommended that the following steps be taken to protect individual Unit:
- a. Shut off the water in apartment. The main shut-off valve is located in storage room.
 - b. Shut off the electricity to hot water heater. This can be done by throwing the circuit breaker labeled for the hot water heater to the "off" position. This will result in a substantial savings in electric bill.
 - c. In the winter, set heat on 55 degrees. This will result savings on electric bill. However, DO NOT turn off your heat completely. Some heat is required to protect the unit.
 - d. Park your cars in the spaces farthest from the buildings so that other unit owners may have the convenience of the better spaces.
 - e. There are the following shut-off valves in each apartment:
 - i. Main shut-off valve-storage room (there are also separate shut-off valves for all hot water and all cold water.)
 - ii. Each sink has two valves below, hot and cold.
 - iii. Each toilet has a valve below.
 - iv. Ice maker - under the kitchen sink.
 - v. Dishwasher - under the kitchen sink
 - vi. Washing machine - behind the washer and under the sink

THE LUGGAGE CART

27. The luggage cart is available to all unit owners. Carts are located in the third (3rd) floor storage room. Carts must be replaced immediately following use.
28. Notify the Custodian or a Board Member the day before the cart is required to avoid conflict with other requests for the cart for the same day.
29. Do not request the cart for an extended period of time. Purpose of cart is to move articles or luggage to and from unit and then returned to the storage area so that it can be made available to other unit owners.
30. Cart should not remain indefinitely in a unit owner's possession.

HALLS AND FOYER

31. The luggage cart, umbrellas, shoes, shopping carts, etc. are not to be left in front of unit owner's door. Not only is this unsightly but more important it can create a fire and safety hazard, All items are to be housed in unit.
32. Treat the halls, foyer, walls, and compact room as your own unit. Do not wait for the custodian to clean up. - keep living areas clean and appealing at all times.

WORK ORDERS

33. The use of a "Work Order" form is the primary means for notifying the management and the Board of Directors of a maintenance problem. "Work Order" forms can be found in a receptacle on the wall of each trash chute room.
34. Simply stated by completing the work order and depositing it in the slot at the main gatehouse as you exit Annen Woods; this will alert Management and the Board of Directors to initiate appropriate action.

DAMAGE IN THE COMMON AREA

35. Any damages to the common elements by a contractor/mover/repairman working for a Unit Owner will be the responsibility of the Unit Owner.

FIRE ALARM

35. In the event the Fire Alarm is sounded it is imperative unit owners respond by immediately evacuating the building(s) by the nearest exit using the stairwell (DO NOT USE ELEVATOR) and to leave building by the emergency exit doors on the first floor.
36. Those individuals designated as Fire Marshal are to assist in the evacuation. A word of caution; the Fire Alarm does not activate a signal to the Fire Department, therefore, it is necessary that 911 be dialed to notify the Fire Department.
37. Should a unit owner detect a fire in their unit, dial 911 immediately and in addition pull the fire alarm handle located at either end of the hallway near the stairwells.
38. There are fire extinguishers on each floor at both stairwells.

VISITORS

39. Unit owners are encouraged to contact the Gatehouse Guard (410-484-9115) to notify the Guard on duty (hours 5:00 pm to 7:00 am) the names of intended visitors and their approximate arrival time. This action will expedite visitor's entry into Annen Woods.

EMERGENCY NUMBERS

The following is a list of telephone numbers to be used by unit owners in the event there is a bona fide emergency requiring a rapid response by the maintenance supervisor and/or the WPM Real Estate Group:

WPM Real Estate Group	443-796-7400 (Business hours)
Gate House	410-484-9115 (After business hours)
WPM Emergency	443-796-7192 (After hours & holidays)

CLOSING COMMENTS

The board of Directors is responsible for the business and affairs of the Condominium in terms of policy and direction. The WPM Real Estate Group is contracted to perform the execution of facilities maintenance and provide financial services. Unit owners have a responsibility of awareness and compliance of the rules and regulations as stipulated in the By-Laws and Rules. Conditions and suggestions unit owners feel should be addressed in relation to Condominium operations should be directed to the board of Directors in writing.

Unit owner's support and compliance with the By-Laws and Rules will effectively enhance the quality of life of the Condominium.

**ANNEN WOODS MAINTENANCE CORPORATION
(AWMC)**

AGREEMENT FOR PLAYING CARDS OR MAHJONG

I hereby request to use the (upper) or (lower) clubroom on _____, 20____,
between the hours of _____ and _____ for the purpose of _____
and expect approximately _____ persons to attend.

I have reviewed the Rules and Regulations governing the use of the clubroom, and agree that I will abide by these Rules and Regulations and will require my guests to do so. It is understood that any violation of the Rules and Regulations may result in denial of the use of the facility by me or my family for private purposes in the future. If the facility shall sustain any damages as a result of a breach of this Agreement, I may be liable for charges. See the attached Clubhouse Use Charge Sheet for information on these charges.

RESIDENT'S SIGNATURE: _____

RESIDENT'S NAME: _____

(PLEASE PRINT)

ADDRESS: _____

DATE: _____

RESERVATION CONFIRMED:
ANNEN WOODS MAINTENANCE CORPORATION

BY: _____

DATE: _____

**ANNENWOODS MAINTENANCE CORPORATION
(AWMC)**

**ANNEN WOODS CLUBHOUSE
199 GRANARY DRIVE
PIKESVILLE, MARYLAND 21208**

RULES AND REGULATIONS FOR USE OF THE CLUBHOUSE

The following rules and regulations have been established so that the clubrooms will be available, in excellent condition, whenever any residents of Annen Woods would like to use them.

1. Only Annen Woods's unit owners or rental community tenants are permitted to rent the lower or upper clubrooms for private use ("the User").
2. The clubrooms may be rented for private parties or other purposes, as approved by Annen Woods Maintenance Corporation – AWMC.
3. The clubrooms may be used for private functions between the hours of 7:00 a.m. and 1:00 a.m., except that during the swimming season the lower clubroom hours shall be 7:00 p.m. to 1:00 a.m. on Saturday, Sunday, and Holidays and from 8:00 p.m. to 1:00 a.m. Monday through Friday.
4. The User must be present for any function and must provide adult supervision for persons below college age.
5. Baltimore County law limits the number of occupants to the posted limits in each clubroom.
6. Rental of the clubroom has a rental fee of \$250.00 and a \$150.00 security deposit. Any costs of cleaning, repairs, moving of furniture, or other services provided, will be charged to the unit owner's account.
7. Requests to reserve either clubroom must be made to the management office in writing, on a form provided by it, accompanied by the required \$400.00. A reservation for the clubroom shall be effective upon issuance of a written confirmation by the management office.
8. The User is required to clean the clubroom at the end of its use. A vacuum cleaner is provided in the downstairs coatroom for the User's convenience. All trash must be removed from the Annen Woods premises or put into sealed bags and placed in the dumpsters at the corner of Jumpers Lane and Pacers Lane.

15. No glassware or china is permitted on the pool deck at any time. If the pool deck is being used, all utensils must be plastic or paper.
 16. Noise levels must comply with Baltimore County law, which prohibits excessive noise after 10:00 p.m. In any circumstance, music may not be played outside of the clubroom after 10:00 p.m. When music is provided (live or recorded) the volume level shall not be a disturbance to any residents of the community.
 17. In compliance with the insurance coverage and applicable law, during the swimming season the User must hire one (1) of the licensed Annen Woods lifeguards to be present during the lower clubroom's use whether or not it is the User's intention to use the pool, and the User must negotiate all fees related to this service with the pool management company.
 18. During the swimming season the lifeguards will provide the User with admittance to the facilities. At times other than the swimming season, the User may obtain keys from the Maintenance Supervisor. Please see #13 above.
 19. Annen Woods Maintenance Corporation assumes no liability or responsibility for damage or loss of any personal property brought into the facility. The User shall be held responsible for any loss of or damage to, the clubroom and its physical property, and shall be billed for such loss or damage. The User agrees to indemnify and save Annen Woods Maintenance Corporation harmless from any and all claims for injury, loss, or damage to any person or property while on premises, including counsel fees and expenses in connection therewith.
 20. The clubroom should be treated as one's own home and left in good condition for the next User. The facility is inspected prior to and after each use so that responsibility for damage or cleaning can be established.
-

**ANNEN WOODS MAINTENANCE CORPORATION
(AWMC)**

Dear Member:

Enclosed herewith is a copy of the Charge Sheet that will be used to evaluate the Clubroom facility after you have used it. You can avoid these additional charges by making sure that the items on the list have been performed.

We encourage you to use this sheet as a checklist to avoid any problems.

Very truly yours,

Annen Woods Maintenance Corporation
AWMC

Name: _____
Address: _____
Date: _____

CLUBROOM USE CHARGE SHEET

<u>Item</u>	<u>Charge</u>
A/C Not Turned Off	\$25.00
Heat Not Turned Off	\$25.00
Lights Not Turned Off	\$25.00
Exhaust Fan (Kitchen) Not Off	\$15.00
Refrigerator Not Clean and Empty	\$10.00
Stove Not Cleaned	\$10.00
Sink Not Clean	\$10.00
Trash Not Bagged and Ready for Removal	\$15.00
Vinyl Floor Not Broom - Cleaned	\$8.00
Counter Not Clean and Empty	\$5.00
Tables Not Cleaned and Arranged Properly	\$15.00
Chairs Not Cleaned and Arranged Properly (four to each table)	\$15.00
Carpet Not Vacuumed (Stain Removal – Professional Svc.)	\$20.00- Vacuum (Contractor Cost)
Walls (additional marks or holes)	Time & Material
<u>Bathrooms</u>	
Lights Not Off	\$25.00
Floors Not Clean of Debris and Paper	\$15.00
Toilets Not Clean (no clogs)	\$20.00
Walls Not Clean (no marks)	Time & Material
Fixtures (damaged)	Time & Material
<u>Doors</u>	
Sliding Glass	
* Glass Not Intact	Contractor Cost
* Not Locked Securely	\$15.00
* Security Bars Not in Place	\$10.00
Front Entry Door Not Locked Securely	\$15.00
Keys Not Returned To Maintenance Supervisor at End of Function	\$25.00

9. The User is responsible for securing the facility at the end of its use, making sure that any appliances and all lights are off, the doors to the ice maker and refrigerator are properly closed, the air conditioning is off or the heat is set at a minimum temperature, the sliding glass doors are locked and metal dowels are placed in all of the door tracks, and the entrance door is locked.
10. Guests are permitted to park their vehicles only within Annen Woods on the parking lot adjacent to the clubroom. If additional parking for clubroom functions is needed, guests should park on Hooks Lane.
11. In case of an emergency with plumbing, electrical, etc. the Management Company should be contacted. For health and safety emergencies contact the Gatehouse Guard.
12. Tables and chairs are available in each clubroom for functions. Any additional furniture required shall be provided by the User. Arrangements for furniture delivery and catering services are the responsibility of the User.
13. The person renting the clubhouse will need to pick up the key prior to the event from the Annen Woods Maintenance Supervisor (410-484-4716). If renting the clubhouse over the weekend, arrangements must be made to pick up the key by 2:30 p.m. on Friday. Also, the key must be returned within two (2) days after the event. Should there be any questions or problems contact the Management Company or Maintenance Supervisor.
14. The clubroom facility is equipped with both heating and air conditioning systems, which are controlled by a thermostat. Minimum temperatures are maintained in the winter months and those using the facility may activate the heating or air conditioning systems upon arrival. A key to the thermostat lock box is provided when the clubroom door key is issued. Users must make sure that the air conditioning system is turned off after functions are held in the warmer months of the year. During the colder months, the thermostat should be placed at 60 degrees when the function concludes for the evening. The kitchen area in the lower clubroom is equipped with an exhaust fan, the lighted switch for which is on the wall immediately adjacent to the counter area of the kitchen. Users must make sure that the exhaust fan is turned off at the end of the function.

NOTICE



No pets allowed in the Ann
Woods Condominium No.
Community



ANNEN WOODS CONDOMINIUM NO. 2

Please be advised that Annen Woods Condominium No. 2 is a smoke free community



Per Article X, Section (u) of the Associations By-Laws "Smoking shall be prohibited within all Units in the Condominium, the Limited Common Elements appurtenant to said Units, and upon or within all General Common Elements."



Council of Unit Owners of Annen Woods Condominium No. 2

Temporary Coupon





Annen Woods Condominium No. 2

Temporary Coupon

Please refer to the resale disclosure certificate for monthly assessment amount

PAYMENT IS DUE – First of each month

THE MAILING ADDRESS FOR THIS PAYMENT IS AS FOLLOWS:

**Annen Woods Condominium No. 2
c/o WPM Real Estate Management
11433 Cronridge Drive
Owings Mills, MD 21117**



~~~~~  
**PLEASE TEAR-OFF AND RETURN WITH PAYMENT**

**COUPON**

**AMOUNT ENCLOSED:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**UNIT ADDRESS:** \_\_\_\_\_

**HOME PHONE:** \_\_\_\_\_

**WORK PHONE:** \_\_\_\_\_

**CELL PHONE:** \_\_\_\_\_

**EMAIL:** \_\_\_\_\_



# **Council of Unit Owners of Annen Woods Condominium No. 2**

Welcome Documents





## Annen Woods Maintenance Corporation

### PARKING STICKER REQUEST FORM

**EVERY ANNEN WOODS RESIDENT MUST HAVE A PARKING STICKER ON THEIR VEHICLE.** The sticker should be placed on the driver's side front windshield in the lower left corner – so the guards can see it when you drive through the front gate.

If you currently have a sticker, you do NOT need to get a new one.

Please return the completed form to the designated board member or resident listed below. Once they have received your form, they will provide you with the stickers and return the form to the management company.

**Annen Woods Condo #2**

Elliot Bloom

2 Candlemaker Court, Unit 203

bloome123@yahoo.com

410-908-9430

This rule has been implemented for your own safety. We need to know that everyone who is entering and parking in the condominium is a "resident" of Annen Woods. Should you purchase a new vehicle you will need to get a NEW parking sticker.

**Please be sure you are attaching the assigned sticker to the correct vehicle as listed below.**

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE – Home: \_\_\_\_\_ Cell: \_\_\_\_\_

EMAIL: \_\_\_\_\_

VEHICLE #1 TAG NUMBER: \_\_\_\_\_ MAKE: \_\_\_\_\_

MODEL: \_\_\_\_\_ STICKER #: \_\_\_\_\_

VEHICLE #2 TAG NUMBER: \_\_\_\_\_ MAKE: \_\_\_\_\_

MODEL: \_\_\_\_\_ STICKER #: \_\_\_\_\_

VEHICLE #3 TAG NUMBER: \_\_\_\_\_ MAKE: \_\_\_\_\_





## **Annen Woods Maintenance Corporation**

MODEL: \_\_\_\_\_

STICKER #: \_\_\_\_\_







WP&M Real Estate Group, LLC  
11433 Cronridge Dr  
Owings Mills, MD 21117-2294  
443-796-7400

# Disclosure for Maryland Resale WPM-A04948

Annen Woods Condominium No. 2  
This certificate has been prepared on 2/28/22  
on behalf of Stephen/Judy Baron owner(s) of  
4 Candlemaker Court - #203 , Pikesville, MD 21208.  
Purchaser is Auction - TBD.

The Maryland Condominium Act, **Section 11-135(a)**, refers to specific information and statements to be obtained from the council of unit owners and provided to the purchaser prior to the contract date of disposition. This Certificate for Condominium Resale is in response to those specific requirements.

This Certificate is valid for ninety days from the date of issuance per WPM Real Estate Management's policy.

Any unit owner, either as seller or purchaser, should review carefully this Certificate for Condominium Resale and all attached documents. Please consult with your real estate agent or attorney pertaining to any specific questions or concerns.

**SECTION 11-135(a)** of the Maryland Condominium Act requires that the purchaser be furnished with a copy of the declaration (other than the plats), the bylaws and the rules or regulations of the condominium:

**Please see attached documents.**

(i) A statement disclosing the effect of the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit other than any restraint created by the unit owner:

**The condominium instruments do not create any rights of first refusal or other restraints per se on free alienability of the condominium units. However, the covenants, conditions, and rules/regulations set forth in the Governing Documents do impose certain restrictions that are binding on all condominium owners and occupants. These should be reviewed and understood by all successors in title to condominium units.**

(ii) A statement setting forth the amount of the common expense assessment and any unpaid common expense or special assessment adopted by the council of unit owners that is due and payable from the selling unit owner:

**Current Balance for this unit: \$0.00**

**SECTION 11-135(a)** of the Maryland Condominium Act also requires that the purchaser be furnished with a certificate containing the following information:

Assessment: \$587.00 due Monthly on the first day of each month

Late Fee: \$15.00 will be applied to any payment received 15 days after the due date

Is there a special assessment for this condominium?

**None noted at this time.**



WP&M Real Estate Group, LLC  
11433 Cronridge Dr  
Owings Mills, MD 21117-2294  
443-796-7400

## Disclosure for Maryland Resale WPM-A04948

(iii) A statement of any other fees payable by the unit owners to the council of unit owners:

**Gate remote for each gate \$35 and \$10.00 key deposit for the Tennis/Pickleball Court, please contact John Eckert at 410-484-4716 or by email annenwoods@verizon.net.**

(iv) A statement of any capital expenditures approved by the council of unit owners planned at the time of the conveyance which are not reflected in the current operating budget disclosed under subparagraph (vi) of this item:

**None noted at this time**

(v) The most recent regularly prepared balance sheet and income expense statement, if any, of the condominium.

**Please see attached financial statements.**

(vi) The current operating budget of the condominium including the current reserve study report, a statement of the status and amount of any reserve or replacement fund, or a statement that there is no reserve fund.

**Budget attached. A copy of the reserve study report or a summary of the report can be found as an additional link/attachment titled, Reserve Summary, for this resale package. As of December 31, 2021 the Reserve Fund amount is \$422,619.54.**

(vii) A statement of any unsatisfied judgments or pending lawsuits to which the council of unit owners is a party, excluding assessment collection suits.

**To the best of WPM Real Estate Management's knowledge, as of the date of this certificate, there are no unsatisfied judgments or pending lawsuits where the Association is party to.**

(viii) A statement generally describing any insurance policies provided for the benefit of unit owners, a notice that copies of the policy are available for inspection, stating the location at which the copies are available, and a notice that the terms of the policy prevail over the description:

The council of unit owners maintains property and liability coverage for all common property. Unit owners should obtain individual coverage for their personal property and liability. Copies of the condominium's policies are available for inspection as follows:

|                    |                      |
|--------------------|----------------------|
| Insurance Carrier: | Greater New York     |
| Agency:            | Schoenfeld Insurance |
| Phone:             | 410-602-2000         |
| Fax:               | 410-602-1160         |

**Members should obtain their own insurance coverage on their units. All property casualty losses under the master insurance policy are subject to a deductible in the amount of \$5,000. In the event of a property casualty covered by the master insurance policy, the owner of the unit where the damage originated is responsible for the master insurance policy deductible.**  
**The terms of the policies prevail over the above description.**



WP&M Real Estate Group, LLC  
11433 Cronridge Dr  
Owings Mills, MD 21117-2294  
443-796-7400

# Disclosure for Maryland Resale **WPM-A04948**

(ix) A statement as to whether the council of unit owners has actual knowledge of any violation of the health or building codes with respect to the unit, the limited common elements assigned to the unit, or any other portion of the condominium;

**None noted at this time.**

(x) A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the council of unit owners, and a statement as to whether or not they are to be a part of the common elements:

**Gatehouse, Pool, Clubhouse and Tennis Courts as maintained by Annen Woods Maintenance Corporation.**

**Part of Common Elements: Yes**

In addition to the information contained herein and attached hereto, to fulfill the requirements of the resale contract, you will need a statement by the unit owner(s) as to knowledge of the following:

- (i) That any alteration to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules and regulations;
- (ii) Of any violation of the health or building codes with respect to the unit or the limited common elements assigned to the unit; and
- (iii) That the unit is subject to an extended lease under §11-137 of this title or under local law, and if so, a copy of the lease must be provided; and
- (iv) A written notice of the unit owner's responsibility for the council of unit owners' property deductible and the amount of the deductible.

This disclosure packet was prepared by WPM Real Estate Management on behalf of Annen Woods Condominium No. 2 on 2/28/22.

This Certificate is valid for ninety days from the date of issuance per WPM Real Estate Management's policy.

## ADDITIONAL COMMENTS

This unit is also a member of the Annen Woods Maintenance Corporation, documents included.

No rentals allowed.

No pets allowed.

Prior to closing, a payoff statement request needs to be ordered by the Title Company. Please inform the Title Company, the request can be ordered through: [settlements@wpmlc.com](mailto:settlements@wpmlc.com). There is no charge for a payoff request. An administrative fee of \$125.00 is due at settlement and payable to the management company.

A resale exterior inspection was performed and the following item was noted:  
The exterior unit door needs repair and painting. Please contact the Board President for the correct paint color.