

# MARYLAND RESALE DISCLOSURE CERTIFICATE

*For properties in a Homeowners Association*

Association: The Manors at Amyclae Townhouse Association, Inc.

Subject property: 1245 Athens Court, Bel Air, MD 21014

Date of certificate completion, all information is accurate as of this date: 11/20/2024

Owner or Seller's current balance: \$0.00

Account in collections: \_\_\_ Yes  No

The regular assessment amount: \$312.87(2024) paid: Quarterly due on: Jan 1, Apr 1, Jul 1, Oct 1

Late penalty for regular assessment: 12% interest per annum after 30 days

N/a : \$N/a paid: N/a due on: N/a

N/a : \$N/a paid: N/a due on: N/a

N/a : \$N/a paid: N/a due on: N/a

Included in regular assessment: **Water:** \_\_\_ Yes  No **Sewer:** \_\_\_ Yes  No **Trash:** \_\_\_ Yes  No

Capital contribution: \$N/a Payable to: N/a

Reserve contribution: \$N/a Payable to: N/a

Owner transfer fee: \$200.00 Payable to: InfoHOA

N/a : \$N/a paid: N/a due on: N/a

### MD Real Prop Code § 11B-106(b):

**(1)** This property is located in the above Association and is subject to the governing documents.

**(2)** Please see above.

**(3)** The name, address, and telephone number of the management agent of the homeowners association, or other officer or agent authorized by the homeowners association to provide to members of the public, information regarding the homeowners association and the development, or a statement that no agent or officer is presently so authorized by the homeowners association:

HPS Management of Maryland, LLC.  
424 N. Union Avenue, Havre de Grace, MD 21078  
(410)939-1500

**(4)(i)** The existence of any unsatisfied judgments or pending lawsuits against the homeowners association:

There are no known current or pending lawsuits against the homeowners association.

**(4)(ii)** Any pending claims, covenant violations actions, or notices of default against the lot:

There are no known violations on the property.

**(5)** A copy of: **(i)** The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development, and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner's tenants, if applicable; and **(ii)** The bylaws and rules of the primary development, and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable.

**Other Information:**

Association maintains a Balance Sheet:   x   Yes, see attached    No

Association maintains an Income/ Expense Statement:   x   Yes, see attached    No

Association maintains a current operating budget:   x   Yes, see attached    No

Association maintains a reserve fund with the balance reflected on the Balance Sheet:   x   Yes, see attached    No

Association has a reserve study or report:   x   Yes, see attached    No

Association has a replacement fund or replacement plan for funds used from a reserve fund:

  x   Yes, funds have been withdrawn from a reserve fund and a plan or fund exist to replace the funds withdrawn.

   No, the Association has a reserve fund that funds have been withdrawn from and a plan or fund does not exist to replace the withdrawn funds.

   No, the Association has a reserve fund and no funds have been withdrawn.

   No, the Association does not have any funds specifically designated as reserve funds.

**Additional information, if any:**

1.) Included in this resale package is the Proposed 2025 Budget for The Manors at Amyclae Townhouse Association, Inc., if you have any questions please contact Admin@InfoHOA.com.

**THIS CERTIFICATE IS NOT VALID UNLESS SIGNED BY THE MANAGER AND REQUESTER.**

I certify the above information and that it is true to the best of my knowledge.

Managing Agent: Erik Angone  
4B1869040DC34FC...

Date: 11/20/2024

Agent Name: Erik Angone

Prepared By: Rachel Holland

I certify I have received a copy of this certificate.

Requester Signature: Renee Dawn Street  
37E5EB6B59D148D...

Date: 11/20/2024

Requester Name: Renee Dawn Street

File Closed By: Documents Manager  
1EE8C1ADE6A6414...

11/21/2024

# **ATTENTION TITLE COMPANIES** **& CLOSING ATTORNEYS:**

Please submit ALL closing documents and checks electronically in PDF format by:

Email: [Express@InfoHOA.com](mailto:Express@InfoHOA.com)

OR

Secure Upload: [InfoHOAdocs.com/collections/express-title](https://InfoHOAdocs.com/collections/express-title)

*If submitting electronically, we do **NOT** need the paper copy of the check(s). A clear PDF or Image will work for electronic deposit.*

***We can deposit the checks with just the image.***

*\*\*Account credits must be collected at closing or else the credit will automatically be moved to the buyer's account and we will **NOT** issue a refund for the credit.*

*\*\*Please be sure to cancel all recurring payments before settlement.*

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If submitting electronically is not an option,  
please mail all closing documents and checks to:

**InfoHOA**  
**Settlement Processing**  
**424 N. Union Ave**  
**Havre de Grace, MD 21078**

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**Please do NOT mail closing documents to any other address**



**BOARD MAINTAINED FUNDS DISCLOSURE NOTICE**

*This notice is to be inserted into resale packages of an Association that maintains any funds outside the control of HPS.*

Association: The Manors at Amyclae Townhouse Association, Inc.

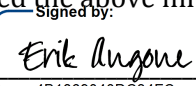
Subject property: 1245 Athens Court, Bel Air, MD 21014

Harford Property Services, Inc., hereafter referred to as HPS, is the managing Agent for the Association. This notice is disclosing to you:

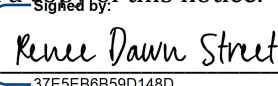
1. Some of the Associations funds are maintained by the Board of Directors and/or Officers of the Association and HPS does not track these funds, nor is HPS responsible in any way for these funds;
2. HPS is unable to disclose these account balances in this resale package or in any other documents; and
3. The Board of Directors and/or officers of the Association have signed a Waiver of Liability agreeing to "forever release and hold harmless Harford Property Services, Inc., and their agents and employees, of any and all liability and responsibility for tracking and maintaining these funds and personally assume all responsibility hence forth."

HPS is not able to answer any questions regarding funds not in its custody, to potential homebuyers, their real estate agent, and their lender(s) because the association has directed this course of action. Homebuyers should direct questions to their real estate agent or an attorney.

I certify I have completed the above information and that it is true to the best of my knowledge.

Manager Signature:  Date: 11/20/2024  
Signed by: Erik Angone  
4B1869040DC34FC...  
 Manager Name: Erik Angone Prepared By: Rachel Holland

I certify I have received a copy of this notice.

Requester Signature:  Date: 11/20/2024  
Signed by: Renee Dawn Street  
37E5EB6B59D148D...  
 Requester Name: Renee Dawn Street  
DocuSigned by: Documents Manager  
15E8C1ADE6A6414...  
11/21/2024



# AUTHORIZATION TO UTILIZE FUNDS OUTSIDE OF BUDGET, DISCLOSURE WITH LIABILITY WAIVER, & RESALE DISCLOSURE NOTICE

Association: The Manors at Amyclae Townhouse Association, Inc.

## Disclosure & Authorization

Harford Property Services, Inc., trading as HPS Management and hereafter referred to as HPS, is the managing agent for the Association. This notice is disclosing to you:

1. I/We direct HPS to withdraw or otherwise arrange movement of funds in the amount of \$ 1,500.00, from the Association's:

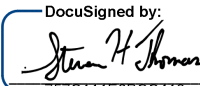
Reserve Fund  Operating Fund  Capital Fund  Other: \_\_\_\_\_

for the purposes of:

Tree Removal and Trimming for Common Area Trees

2. I/We understand that expenditures outside of the approved budget, to include the withdraw of funds from a reserve fund, must be disclosed to potential buyers.


3. I/We understand that the above disclosure may prohibit or delay certain lending institutions from financing loans to purchase a home or refinance existing loans of a homeowner.


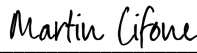


<small>DocuSigned by:</small>			
		<b>President</b>	<b>2/28/2020</b>
<u>757C111E0BCC418</u> Association Representative	(SEAL)	Title/Position	Date
_____ Association Representative	(SEAL)	Title/Position	Date
_____ Association Representative	(SEAL)	Title/Position	Date
_____ Association Representative	(SEAL)	Title/Position	Date
_____ Association Representative	(SEAL)	Title/Position	Date



**Waiver of Liability**

I/we have read and understand the above information and forever release and hold harmless HPS, their agents and employees, of any and all liability.

DocuSigned by:			
		President	2/28/2020
757C111E0BCC418...	(SEAL)	Title/Position	Date
Association Representative			
Association Representative	(SEAL)	Title/Position	Date
Association Representative	(SEAL)	Title/Position	Date
Association Representative	(SEAL)	Title/Position	Date
Association Representative	(SEAL)	Title/Position	Date

Manager Signature:	DocuSigned by:		Date: 2/28/2020
Manager Name:	0F1B1A58B2834FB...	Marissa Freeman	
Director Signature:	DocuSigned by:		Date: 2/28/2020
Director Name:	C327B0146C1D400...	Martin Cifone	
Bookkeeping Team:	Moved On: 3/2/2020	By: 	Date: 3/2/2020
Documents Team:	Resale Updated By:		Date: 3/2/2020
		954931F5DD404EB...	

**IMPORTANT: Resale Template must be updated with this document for the affected budget year(s).**

Initial  
RDS



**Resale Disclosure Notice**

Subject Property: 1245 Athens Court, Bel Air, MD 21014

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This notice is to inform the buyer of the matter described on page 1 of this form. Homebuyers should direct questions to an attorney or licensed real estate agent.

The Managing Agent will forward any written and signed request for additional information to the Authorized Liaison with the Board of Directors per the Management Agreement and the Managing Agent makes no guarantee or any representation as to the content or timeliness of a response.

**THIS CERTIFICATE IS NOT VALID UNLESS SIGNED BY THE MANAGING AGENT AND REQUESTER.**

I certify I have completed the above information and that it is true to the best of my knowledge.

Liaison: *Erik Angone* Date: 11/20/2024

Liaison Name: Erik Angone Prepared By: Rachel Holland

I certify I have received a copy of this certificate.

Requester Signature: *Renee Dawn Street* Date: 11/20/2024

Requester Name: Renee Dawn Street File Closed By: *Documents Manager*  
11/21/2024

# AUTHORIZATION FOR NON-BUDGETED ACCOUNT TRANSFER

Association: The Manors at Amyclae Townhouse Association, Inc

Managing Agent: HPS Management of Maryland, LLC.

1. I/We direct Managing Agent to withdraw or otherwise arrange movement of funds in the amount of:

Twelve Thousand Fifty and xx/100 Dollars (\$12,050.00), from the Association's:

Reserve Fund     Operating Fund     Capital Fund     Other: \_\_\_\_\_

To:

Reserve Fund     Operating Fund     Capital Fund     Other: \_\_\_\_\_

for the purposes of: Chesapeake Invoice Fulfillment

This transfer is a:  one-time transfer.

recurring transfer occurring either:

Monthly     Semi-Annually     Annually     Quarterly.

Other: \_\_\_\_\_

2. I/We certify the Board of Directors has met at a properly announced open meeting and have properly ratified a decision regarding the moving of funds in accordance with all laws and the governing documents of the Association.

3. The undersigned on behalf of the Association, by his or her signature hereto, acknowledge receipt and agree the Association shall indemnify and hold harmless the Managing Agent and their officers, directors, members, agents, holding company, subsidiaries, affiliated companies, and employees and their respective personal representatives, heirs, successors and assigns from any loss, liability, damage or costs, including court costs and attorney's fees relating to the above described transfer.

<small>DocuSigned by:</small>			
<u>Steven Thomas</u>		<u>Prsident</u>	<u>6/11/2024</u>
<small>DocuSigned by: 128F2900120F4BB</small>	(SEAL)	Title/Position	Date
<u>[Signature]</u>		<u>Vice President</u>	<u>6/12/2024</u>
<small>DocuSigned by: 128F2900120F4BB</small>	(SEAL)	Title/Position	Date
<u>Thomas Colvin</u>		<u>homeowner/board member</u>	<u>6/13/2024</u>
<small>DocuSigned by: 128F2900120F4BB</small>	(SEAL)	Title/Position	Date
<u>Janelle Rotella</u>		<u>Board of Directors</u>	<u>5/31/2024</u>
<small>DocuSigned by: 128F2900120F4BB</small>	(SEAL)	Title/Position	Date
<u>[Signature]</u>		<u>Board member</u>	<u>6/13/2024</u>
<small>128F2900120F4BB</small>	(SEAL)	Title/Position	Date

### Managing Agent Review

Liaison: Ed 6/14/2024 Director for Liaison:  
Initials Date

Mc 6/14/2024  
Initials Date

Documents Updated: RH 6/14/2024 Bookkeeping:  
Initials Date

SH 6/14/2024  
Initials Date

**Resale Disclosure Notice**

Subject Property: 1245 Athens Court, Bel Air, MD 21014

This notice is to inform the buyer of the matter described on page 1 of this form. Homebuyers should direct questions to an attorney or licensed real estate agent.

The Managing Agent will forward any written and signed request for additional information to the Authorized Liaison with the Board of Directors per the Management Agreement and the Managing Agent makes no guarantee or any representation as to the content or timeliness of a response.

**THIS CERTIFICATE IS NOT VALID UNLESS SIGNED BY THE MANAGING AGENT AND REQUESTER.**

I certify I have completed the above information and that it is true to the best of my knowledge.

Liaison: *Erik Angone* Date: 11/20/2024

Liaison Name: Erik Angone Prepared By: Rachel Holland

I certify I have received a copy of this certificate.

Requester Signature: *Renee Dawn Street* Date: 11/20/2024

Requester Name: Renee Dawn Street File Closed By: *Documents Manager*  
11/21/2024

# AUTHORIZATION FOR NON-BUDGETED ACCOUNT TRANSFER

Association: The Manors at Amyclae Townhouse Association, Inc

Managing Agent: HPS Management of Maryland, LLC.

1. I/We direct Managing Agent to withdraw or otherwise arrange movement of funds in the amount of:

Two Thousand Three Hundred Ninety Nine and 39/100 Dollars (\$2,399.39), from the Association's:

Reserve Fund     Operating Fund     Capital Fund     Other: \_\_\_\_\_

To:

Reserve Fund     Operating Fund     Capital Fund     Other: \_\_\_\_\_

for the purposes of: Replenish Operating to Pay Reimbursements

This transfer is a:  one-time transfer.

recurring transfer occurring either:

Monthly     Semi-Annually     Annually     Quarterly.

Other: \_\_\_\_\_

2. I/We certify the Board of Directors has met at a properly announced open meeting and have properly ratified a decision regarding the moving of funds in accordance with all laws and the governing documents of the Association.

3. The undersigned on behalf of the Association, by his or her signature hereto, acknowledge receipt and agree the Association shall indemnify and hold harmless the Managing Agent and their officers, directors, members, agents, holding company, subsidiaries, affiliated companies, and employees and their respective personal representatives, heirs, successors and assigns from any loss, liability, damage or costs, including court costs and attorney's fees relating to the above described transfer.

DocuSigned by:	(SEAL)	Title/Position	Date
<i>Steven Thomas</i>		President	9/16/2024
<i>[Signature]</i>		vice president	9/18/2024
<i>Christine Colvin</i>		Secretary	9/18/2024
<i>Janel Rotella</i>		Janel Rotella	9/16/2024
<i>Marc Ianasa</i>		Marc Ianasa	9/18/2024

Liaison: Ed 9/19/2024 Director for Liaison:

Mc 9/19/2024

Documents Updated: RH 9/19/2024 Bookkeeping:

RH 9/19/2024

**Resale Disclosure Notice**

Subject Property: 1245 Athens Court, Bel Air, MD 21014

This notice is to inform the buyer of the matter described on page 1 of this form. Homebuyers should direct questions to an attorney or licensed real estate agent.

The Managing Agent will forward any written and signed request for additional information to the Authorized Liaison with the Board of Directors per the Management Agreement and the Managing Agent makes no guarantee or any representation as to the content or timeliness of a response.

**THIS CERTIFICATE IS NOT VALID UNLESS SIGNED BY THE MANAGING AGENT AND REQUESTER.**

I certify I have completed the above information and that it is true to the best of my knowledge.

Liaison: *Erik Angone* Date: 11/20/2024

Liaison Name: Erik Angone Prepared By: Rachel Holland

I certify I have received a copy of this certificate.

Requester Signature: *Renee Dawn Street* Date: 11/20/2024

Requester Name: Renee Dawn Street File Closed By: *Documents Manager*  
11/21/2024

# WITHDRAWAL TO REALIZE FUNDS OUTSIDE OF BUDGET OR FROM A RESERVE ACCOUNT

Association: The Manors at Amyclae Townhouse Association, Inc

Managing Agent: HPS Management of Maryland, LLC

1. I/We direct Managing Agent to withdraw or otherwise arrange payment or movement of funds in the amount of: \$ Five Thousand 00/100 Dollars (\$ 5,000.00), from the Association's:

Reserve Fund     Operating Fund     Capital Fund     Other: \_\_\_\_\_

to (payee): The Manors at Amyclae Townhouse Association, Inc

for the purposes of: Paying Invoices

2. I/We understand expenditures outside of the approved budget, to include the withdraw of funds from a reserve fund, must be disclosed to potential buyers, including if there is a plan to repay reserve funds withdrawn.

3. I/We understand the professional liability, errors and omissions, and fidelity insurance policies insuring Managing Agent will not insure funds not in the exclusive custodial control of Managing Agent.

4. I/We understand the above disclosure may prohibit or delay certain lending institutions from financing loans to purchase of a home or refinance existing loans of a homeowner.

5. Managing Agent will forward any written and signed request for additional information to the Authorized Liaison with the Board of Directors per the Management Agreement and makes no guarantee or any representation as to the content or timeliness of a response.

6. The undersigned on behalf of the Association, by his or her signature hereto, acknowledge receipt and agree the Association shall indemnify and hold harmless the Managing Agent and their officers, directors, members, agents, holding company, subsidiaries, affiliated companies, and employees and their respective personal representatives, heirs, successors and assigns from any loss, liability, damage or costs, including court costs and attorney's fees, that Managing Agent may incur relating to the above described transfer of funds outside of the budget.

DocuSigned by: <i>Steven Thomas</i>	President	12/22/2020
757C111E0BCC418 Association Representative	(SEAL) Title/Position	Date
Association Representative	(SEAL) Title/Position	Date
Association Representative	(SEAL) Title/Position	Date
Association Representative	(SEAL) Title/Position	Date
Association Representative	(SEAL) Title/Position	Date

Liaison: DS  
*Ed* 12/23/2020  
Initials  
*SC* 12/23/2020  
 Documents Updated: Initials 12/23/2020  
Date

**Managing Agent Review**

Director for Liaison: DS  
*Mc* 12/23/2020  
Initials 12/23/2020  
 Bookkeeper Completed: DS  
*WA* 12/23/2020  
Initials 12/23/2020  
Date

### RESALE DISCLOSURE NOTICE

Subject Property: 1245 Athens Court, Bel Air, MD 21014

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#### THIS CERTIFICATE IS NOT VALID UNLESS SIGNED BY THE MANAGING AGENT AND REQUESTER.

I certify I have ~~completed~~ the above information and that it is true to the best of my knowledge.

Liaison: *Erik Angone*  
4B1869040DC34FC...

Date: 11/20/2024

Liaison Name: Erik Angone

Prepared By: Rachel Holland

I certify I have received a ~~copy~~ of this certificate.

Requester Signature: *Renee Dawn Street*  
37E5EB6B59D148D...

Date: 11/20/2024 DocuSigned by: \_\_\_\_\_

Requester Name: Renee Dawn Street

File Closed By: *Documents Manager*  
1EF8C1ADE6A0414...  
11/21/2024

## Ways to Pay Your Association Assessment

**1. Single or Recurring Payment from a Credit Card, Debit Card, or eCheck:** From the portal, you can make a single payment or set-up a recurring bill pay with eCheck and most credit or debit cards. The association uses a merchant services vendor who charges a fee that goes directly to the merchant services vendor to provide this convenience to our association.

- Go to [www.InfoHOA.com](http://www.InfoHOA.com).
- Select "Homeowners Login" in the upper right corner.
- If you have registered, please click "Login" (\*see below to "Register").
- Once you are logged in, please click "Pay Now" from the navigation menu.
- If making a One-Time Payment, complete the information on the left-hand side of the page. If setting up a Recurring Payment, select "New Recurring Payment" on the right-hand side of the page.
- Follow the prompts to enter your payment data and select "Continue."
- Please review all information and select "Submit Payment."

**2. Automatic Bill Pay from Your Bank:** Most banks offer free bill pay services that are easily setup through **your** bank's online payment portal, or you can contact **your** bank directly. You will need the following information to set-up Automatic Bill Pay:

<b>Account number:</b>	This can be found on your statement or the top right corner when you login to your account at <a href="http://www.InfoHOA.com">www.InfoHOA.com</a> (*see below to "Register")
<b>Payable to:</b>	The association's name
<b>The payment amount:</b>	The total assessment amount due
<b>Payment frequency:</b>	Monthly, Quarterly, Semi-annual, or Annual
<b>Payment sent to:</b>	Payment Processing PO Box 1299 Commerce, GA 30529

**3. U.S. Mail:** Mail a cashier's check, money order, certified check, or personal check made payable to our association to PO Box 1299, Commerce, GA 30529. Please include your account number in the memorandum. Please do not send correspondence to this address. It is important to send your payment to the lockbox address and not your local office. A lockbox is a service whereby a financial institution takes responsibility for processing payments mailed to a designated Post Office Box. This service is ideal for processing association assessments because it is more secure, reduces internal processing/handling costs (saving you money), and reduces posting delays to help improve the association's cash flow.

**\*To Register for the Portal:** Go to [www.InfoHOA.com](http://www.InfoHOA.com) and follow any prompts. Select "Register" in the top right corner. Please fill out the online form with your information. Once a member of our Customer Service Team verifies that you are the legal homeowner for the address submitted, you will receive an email to the email address you provided to set-up your password for the secure online portal.

## About Your Community Liaison

- **Understanding governance** - It is important to understand an association is governed by a volunteer Board of Directors typically comprised of elected homeowners. The volunteer Board of Directors is limited in its authority by the community's governing documents and certain laws, which vary widely by community as well as federal, state, and local laws relative to where the community is located. The volunteer Board of Directors has hired a management company that is partnered with InfoHOA.com. The community has been assigned a Liaison who works with the volunteer Board of Directors. The Liaison is responsible for communicating on behalf of the volunteer Board of Directors with all stakeholders including homeowners, non-owner residents, neighbors in other communities, contractors or vendors who perform services, elected officials, multiple government agencies, and other business representatives.
- **Every community is different** - The scope of work to be performed by the Liaison will vary by community as directed by the volunteer Board of Directors. Smaller communities may have a Liaison who manages multiple communities while larger communities may have a dedicated full time Liaison or on-site staff depending on the community's budget.
- **Liaisons are advisors** - While Liaisons work closely with the Board, he or she is only an advisor, not a member of the Board, and cannot set Board policy. Liaisons are not engineers, attorneys, land surveyors, or accountants. The Board may retain these services, if needed. We encourage you to attend association meetings to stay informed.
- **Liaisons work irregular hours** - Liaisons attend meetings in the evenings and on weekends, complete on-site association visits, have scheduled meetings to attend, and regularly complete training. As a result, Liaisons are on-the-go and do not maintain fixed office hours. Liaisons will typically respond to emails and phone calls within two full business days. Please note, a response time may take longer if a Liaison is on scheduled leave or out of the office. When this occurs, the Liaison will update their voicemail and email automatic responses, unless they are on sick leave.
- **Appointments with a Liaison** - If you wish to speak with a Liaison in person, an appointment is required. Because Liaisons are on-the-go and do not maintain fixed office hours, please email [Admin@InfoHOA.com](mailto:Admin@InfoHOA.com) to schedule an appointment at your nearest office with your Liaison. This will also allow the Liaison to have pertinent information available for the meeting and to invite Board Members and other stakeholders to participate.
- **Solving your issue** - We are here to help you! Liaisons are bound by laws, the association's governing documents, and the Board. If the issue is not a violation of rules or is not in the scope of the Liaison's authority from the Board, the Liaison may not be able to take any action. Liaisons may refer you to the appropriate resource for your issue.
- **Social media and websites** - Liaisons do not moderate or control social media. Some communities may have an official social media page supervised by the volunteer Board of Directors. Some communities may have a site or multiple sites started by a person or group of people who may or may not actually be members of the association. Liaisons may observe these social media sites if they are allowed to view them by the account owners but are not required to do so by the volunteer Board of Directors. Liaisons cannot alter or moderate these sites because they have no control over them. In many cases those controlling a social media account may not be clear or disclosed on the site. We strongly encourage caution before posting or joining social media site.
- **Obtaining information** - The online secure Portal is your best tool for checking your balance, making payments, viewing meeting minutes, viewing governing documents, and much more. We encourage you to do so by going to [www.InfoHOA.com](http://www.InfoHOA.com).
- **Emergencies** - Matters that are not a risk of imminent bodily harm or significant property damage are dealt with during normal business hours. To report an emergency that does pose a risk of imminent bodily harm or significant property damage, after calling 911, call our office. If your community does have a phone number it will be posted on the Portal after you login at [www.InfoHOA.com](http://www.InfoHOA.com); otherwise, please notify your community association by emailing [Admin@InfoHOA.com](mailto:Admin@InfoHOA.com). Please note, not all communities have a phone number or a full-service management plan.
- **Criminal concerns or suspicious activity** - For all criminal matters or suspicious activity, please immediately call 911 or your local police agency before contacting our office or posting on social media.
- **Conflicts** - Liaisons are trained to deal with conflict but will not get involved in quarrels between neighbors.
- **Feedback to the volunteer Board of Directors** - We encourage you to send a letter or email to the Board, in care of the Liaison, for all questions and concerns about Board policy. We also strongly encourage you to attend meetings and share your thoughts in a polite manner directly to the Board. Profanity, threats, and providing false information will not be tolerated.
- **Contractors and vendors** - Liaisons are responsible for monitoring contractors and vendor performance, but not for on-site supervision. If you have a concern about a contractor, we encourage you to send a letter or email to the Liaison who may notify the Board. The Board will then decide how to proceed under the terms of the contract. Please do not interfere with any contractor performing work in the community.
- **Repairs to private property** - Neither the Liaison nor the association are responsible for repairs, or coordinating repairs, to a homeowner's personal property, except in limited cases for condominiums.
- **Accounts in collections** - Because of strict collection laws, once an account is turned over to the association's attorney for the collections process, neither the Liaison nor Board can communicate with anyone about the account. You must work through the association's collections attorney.

**LIAISONS WORK UNDER THE SUPERVISION OF THE VOLUNTEER BOARD OF DIRECTORS.  
THE BOARD IS COMPRISED OF VOLUNTEERS FROM THE COMMUNITY JUST LIKE YOU.**

The Manors at Amyclae Townhouse Association, Inc					
	Account	Description	2024 Budget	2025 Budget	
<b>Operating Accounts</b>					
<b>Income Accounts</b>					
<b>Income</b>					
	63-6310-00	Assessments	\$53,813.64	\$59,195.52	344.16 Quarterly
<b>Income Accounts Total</b>			<b>\$53,813.64</b>	<b>\$59,195.52</b>	
<b>Expense Accounts</b>					
<b>Expense</b>					
	70-7010-00	Management Fees	\$5,000.04	\$5,175.00	3.5% Increase
	70-7020-00	Tax, Accounting & Audit Fees	\$375.00	\$375.00	
	70-7160-00	Collection and Legal Fees	\$200.00	\$200.00	
	70-7280-00	Insurance Premium	\$1,558.00	\$2,072.14	
	70-7400-00	Office Expenses	\$2,700.00	\$2,800.00	Admin & Office Combined
	70-7450-00	Taxes	\$0.00	\$900.00	
<b>Utilities</b>					
	89-8935-00	Common Area Electric	\$1,600.00	\$1,863.36	
	89-8950-00	Trash Removal	\$13,932.00	\$14,832.00	
<b>Maintenance</b>					
	90-9010-00	Tree & Shrub	\$1,200.00	\$4,000.00	
	90-9020-00	Grounds Maintenance	\$17,500.00	\$18,700.00	
	90-9110-00	Repair & Maintenance	\$200.00	\$200.00	
<b>Reserves</b>					
	99-9909-00	Reserve Transfer (A)	\$9,448.60	\$8,078.02	Catching up on Reserves
<b>Expense Accounts Total</b>			<b>\$53,813.64</b>	<b>\$59,195.52</b>	
<b>Operating Accounts Net</b>			<b>\$0.00</b>	<b>\$0.00</b>	

The Manors at Amyclae Townhouse Association, Inc				
Account	Description	2023 Budget	2024 Budget	
<b>Operating Accounts</b>				
<b>Income Accounts</b>				
<b>Income</b>			\$312.87 Quarterly	
63-6310-00	Assessments	\$46,921.60	\$53,813.64	
<b>Income Accounts Total</b>		<b>\$46,921.60</b>	<b>\$53,813.64</b>	
<b>Expense Accounts</b>				
<b>Expense</b>				
70-7010-00	Management Fees	\$4,500.00	\$5,000.04	
70-7015-00	Administrative Expenses	\$0.00	\$100.00	
70-7020-00	Tax, Accounting & Audit Fees	\$365.00	\$375.00	
70-7160-00	Collection and Legal Fees	\$200.00	\$200.00	
70-7280-00	Insurance Premium	\$763.00	\$1,558.00	
70-7400-00	Office Expenses	\$1,800.00	\$2,700.00	
70-7710-00	Reserve Study	\$1,800.00	\$0.00	
<b>Utilities</b>				
89-8935-00	Common Area Electric	\$1,600.00	\$1,600.00	
89-8950-00	Trash Removal	\$10,836.00	\$13,932.00	
<b>Maintenance</b>				
90-9010-00	Tree & Shrub	\$1,200.00	\$1,200.00	
90-9020-00	Grounds Maintenance	\$16,000.00	\$17,500.00	
90-9110-00	Repair & Maintenance	\$200.00	\$200.00	
<b>Unbudgeted Expenses</b>				
97-9700-00	Unbudgeted Expenses	\$0.00	\$0.00	
<b>Reserves</b>				
99-9909-00	Reserve Transfer (A)	\$7,657.60	\$9,448.60	
<b>Expense Accounts Total</b>		<b>\$46,921.60</b>	<b>\$53,813.64</b>	
<b>Operating Accounts Net</b>		<b>\$0.00</b>	<b>\$0.00</b>	

DocuSigned by:  
  
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12/21/2023



**InfoHOA.com**

**Financial Report Package**

**October FY2024**

**Prepared for**

**The Manors at Amyclae Townhouse Association,  
Inc**

**By**

**InfoHOA.com**

\*Denotes a financial account that is controlled by this Association. The information reported is sent from the Association's Treasurer, or other designated Officer and/or Board Member of the Association to the managing agent and is believed to be true and accurate at the time of this report. Neither InfoHOA or the managing agent have any custodial control of these funds and neither makes any guarantee or warranty that such funds actually exist. The funds reflected in this report are in no way guaranteed or insured by InfoHOA or the managing agent. No Fidelity Insurance, Professional Liability Insurance, Errors and Omissions Insurance, or any other insurance maintained by InfoHOA or the managing agent indemnifies financial accounts that are not in the custody of InfoHOA or the managing agent. This Association is a separate legal entity employing a managing agent and InfoHOA.



**Balance Sheet - Operating**  
 The Manors at Amyclae Townhouse Association, Inc  
 End Date: 10/31/2024

Date: 11/8/2024  
 Time: 1:20 am  
 Page: 1

<b>Assets</b>		
Bank Accounts		
10-1030-00 Working Fund - EB - 0758	\$6,816.48	
10-1035-00 Reserve Fund - EB - 4419	24,559.83	
	24,559.83	
Total Bank Accounts:		\$31,376.31
<b>Total Assets:</b>		<b>\$31,376.31</b>
<b>Liabilities &amp; Equity</b>		
Other Current Liabilities		
30-3310-00 Prepaid Owner Assessment	21.98	
	21.98	
Total Other Current Liabilities:		\$21.98
Equity		
55-5510-00 Retained Earnings	42,757.63	
	42,757.63	
Total Equity:		\$42,757.63
Net Income Gain / Loss	(11,403.30)	
	(11,403.30)	
<b>Total Liabilities &amp; Equity:</b>		<b>\$31,376.31</b>

**Income Statement - Operating**



The Manors at Amyclae Townhouse Association, Inc

10/31/2024

Date: 11/8/2024

Time: 1:20 am

Page: 1

Description	Current Period			Year-to-date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>OPERATING INCOME</b>							
<b>Income</b>							
6310-00 Assessments	\$9,519.80	\$4,484.47	\$5,035.33	\$50,222.97	\$44,844.70	\$5,378.27	\$53,813.64
6443-00 Owner Interest	6.75	-	6.75	495.75	-	495.75	-
6480-00 Interest Earned	50.89	-	50.89	733.94	-	733.94	-
<b>Total Income</b>	<b>\$9,577.44</b>	<b>\$4,484.47</b>	<b>\$5,092.97</b>	<b>\$51,452.66</b>	<b>\$44,844.70</b>	<b>\$6,607.96</b>	<b>\$53,813.64</b>
<b>Total OPERATING INCOME</b>	<b>\$9,577.44</b>	<b>\$4,484.47</b>	<b>\$5,092.97</b>	<b>\$51,452.66</b>	<b>\$44,844.70</b>	<b>\$6,607.96</b>	<b>\$53,813.64</b>
<b>OPERATING EXPENSE</b>							
<b>Expense</b>							
7010-00 Management Fees	416.67	416.67	-	4,166.70	4,166.70	-	5,000.04
7015-00 Administrative Expenses	-	8.33	8.33	-	83.30	83.30	100.00
7020-00 Tax, Accounting & Audit Fees	-	31.25	31.25	1,223.00	312.50	(910.50)	375.00
7160-00 Collection and Legal Fees	-	16.67	16.67	-	166.70	166.70	200.00
7280-00 Insurance Premium	-	129.83	129.83	1,590.34	1,298.30	(292.04)	1,558.00
7400-00 Office Expenses	223.29	225.00	1.71	2,013.43	2,250.00	236.57	2,700.00
<b>Total Expense</b>	<b>\$639.96</b>	<b>\$827.75</b>	<b>\$187.79</b>	<b>\$8,993.47</b>	<b>\$8,277.50</b>	<b>(\$715.97)</b>	<b>\$9,933.04</b>
<b>Utilities</b>							
8935-00 Common Area Electric	155.88	133.33	(22.55)	1,538.25	1,333.30	(204.95)	1,600.00
8950-00 Trash Removal	1,236.00	1,161.00	(75.00)	12,535.00	11,610.00	(925.00)	13,932.00
<b>Total Utilities</b>	<b>\$1,391.88</b>	<b>\$1,294.33</b>	<b>(\$97.55)</b>	<b>\$14,073.25</b>	<b>\$12,943.30</b>	<b>(\$1,129.95)</b>	<b>\$15,532.00</b>
<b>Maintenance</b>							
9010-00 Tree & Shrub	-	100.00	100.00	17,672.00	1,000.00	(16,672.00)	1,200.00
9020-00 Grounds Maintenance	2,042.67	1,458.33	(584.34)	20,923.96	14,583.30	(6,340.66)	17,500.00
9110-00 Repair & Maintenance	-	16.67	16.67	1,193.28	166.70	(1,026.58)	200.00
<b>Total Maintenance</b>	<b>\$2,042.67</b>	<b>\$1,575.00</b>	<b>(\$467.67)</b>	<b>\$39,789.24</b>	<b>\$15,750.00</b>	<b>(\$24,039.24)</b>	<b>\$18,900.00</b>
<b>Reserves</b>							
9909-00 Reserve Transfer (A)	-	-	-	-	-	-	9,448.60
<b>Total Reserves</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$0.00</b>	<b>\$9,448.60</b>
<b>Total OPERATING EXPENSE</b>	<b>\$4,074.51</b>	<b>\$3,697.08</b>	<b>(\$377.43)</b>	<b>\$62,855.96</b>	<b>\$36,970.80</b>	<b>(\$25,885.16)</b>	<b>\$53,813.64</b>
<b>Net Income:</b>	<b>\$5,502.93</b>	<b>\$787.39</b>	<b>\$4,715.54</b>	<b>(\$11,403.30)</b>	<b>\$7,873.90</b>	<b>(\$19,277.20)</b>	<b>\$0.00</b>



**Reserve Study for**

**The Manors at Amyclae Townhouse Association  
Bel Air, MD**

**February 21, 2023**



Prepared by Global Solution Partners  
The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

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**Tip:** The table of contents is interactive. If viewing electronically, click to jump to each section.

Prepared by Global Solution Partners  
The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

February 21, 2023

Ms. Amber Blizzard  
Community Association Manager  
HPS Management  
424 N. Union Avenue  
Havre de Grace, MD 21078

Dear Ms. Blizzard,

Global Solution Partners is pleased to present to you and The Manors at Amyclae Townhouse Association the requested Reserve Study. We believe that you will find this reserve funding study to be thorough and complete. After you have had an opportunity to review the report, please do not hesitate to contact us. We are always happy to answer any questions you may have.

### **Property Description**

The Manors at Amyclae Townhouse Association is a townhomes community located at Athens Court in Bel Air, MD. The community is comprised of 43 units across five dwelling unit buildings and is approximately 34 years old. The community has one main entrance on Athens Court and Econ Drive and is accessed by asphalt roads. The amenities include asphalt parking areas, mailbox pedestals, and two monuments at the entrance. The community appeared to be in good condition for its age.

### **Executive Financial Summary**

Based on the information collected during the Reserve Study process, the recommended reserve fund contribution for 2023 is \$2,200. The annual contribution recommendations have been set to meet future expenses while avoiding special assessments and minimizing dues increases. The recommended contributions increase by the inflation rate of 2.41% in an effort to have today's homeowners and future homeowners share a fair and equitable portion of the financial obligations to maintain the community.

Most association board members find the [Cash Flow Analysis](#) table and the [Projected Reserve Contributions](#) table to be helpful overviews of the study. The cash flow table shows the recommended annual reserve payments by year for the entire 30-year study period. The Projected Reserve Contributions table breaks down the annual contribution based on the number of unit owners in the community and shows how much they will individually be contributing to the reserves on a monthly and annual basis.

It is important to realize that this study is a snapshot based on current conditions and circumstances which no doubt will change. With this in mind, it is essential to have the study updated periodically to maintain its relevance.

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The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

**COVID-19 Labor and Materials Costs**

Due to the COVID-19 global pandemic, labor and material costs have increased significantly since the beginning of the pandemic; projections made in this report reflect the best information available for today's costs. Labor and material costs will continue to be evaluated by Global Solution Partners and will be reviewed in future updates.

**Date of Site Visit**

The site visit for The Manors at Amyclae was conducted by Mr. Yaw O Bonsu of Global Solution Partners on February 17, 2023.

**Property Observations**

- The bases of the mailbox pedestals are peeling; recommend scraping and painting as part of routine site maintenance using funds from the operational budget.
- The asphalt street and associated concrete flatwork are owned and maintained by the local municipality; however, the Association is responsible for the asphalt parking areas throughout the community.

**Depth of Study**

A site visit was made to verify the existing condition as it relates to the average life expectancies of the various reserve study components and to verify component quantities. In-place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either verify improvement plan take-offs or determine directly the quantities of various components. Photographs were taken of the site improvements.

**Summary of Financial Assumptions**

The below table contains a partial summary of information including desired study start date, number of dues-paying members, and beginning reserve fund balance, provided by the client or client's representative for The Manors at Amyclae Townhouse Association reserve funding study.

Reserve Study by Calendar Year Starting	January 1, 2023
Reserve Funding Study Length	30 years
Number of Dues Paying Members	43
Reserve Balance as of January 1, 2023	\$40,000.00
Annual Inflation Rate	2.41%
Interest Rate on Reserve Funds	0.50%
Dues Change Period	1 year

**Recommended Payment Schedule**

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 The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

The below table contains Global Solution Partners' recommended schedule of reserve fund contribution payments for the next five years. See the [Projected Reserve Contributions](#) table later in this report for the full 30 years. Failure to follow the proposed schedule of payments may result in inadequate reserve funds and require the use of Special Assessments in the future. The recommended reserve fund contributions have been set to meet future capital expenses while avoiding special assessments and minimizing dues increases.

Calendar Year	Member Monthly Reserve Payment	Monthly Reserve Payment	Annual Reserve Payment	Proposed Reserve Balance
2023	\$4.26	\$183	\$2,200	\$42,340
2024	\$4.37	\$188	\$2,253	\$44,741
2025	\$4.47	\$192	\$2,307	\$47,205
2026	\$4.58	\$197	\$2,363	\$48,270
2027	\$4.69	\$202	\$2,420	\$47,625

**Reserve Study Assumptions**

The below-listed assumptions are implicit in this reserve study:

- Cost estimates and financial information are accurate and current
- No unforeseen circumstances will cause a significant reduction of reserves
- Sufficient comprehensive property insurance exists to protect from insurable risks
- The association plans to continue to maintain the existing common areas and amenities
- Reserve payments occur at the end of every calendar month
- Expenses occur at the end of the expense year

**Impact of Component Life**

The projected life expectancy of the major components and the reserve funding needs of the Association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the component useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the Association. Failure to perform such maintenance can shorten the remaining useful life of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the Association.

**Inflation Estimate**

An annual inflation multiplier of 2.41% has been applied to all future expenses within the 30-year study period. This annual inflation rate was obtained by averaging the previous 30-years' rates as published by the U.S. Bureau of Labor Statistics.

**Initial Reserves**

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The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

Initial reserves for this Reserve Study were projected by the client to be \$40,000.00 on January 1, 2023. An interest rate of 0.50% per year has been factored into this Reserve Study. The implicit assumption has been made that the reserve accounts were not drawn down between the date of the known reserve balance and the study start date.

### **Financial Condition of Association**

It is recommended that the association adjust its reserve fund contributions to align with the [Cash Flow Analysis](#) and [Projected Reserve Contributions](#) tables contained in this study.

### **Special Assessments**

Special Assessments have not been factored into this Reserve Study.

### **Reserve Funding Goal**

The reserve fund goal is to maintain a reserve account balance that meets or exceeds the annual cash flow requirement for the maintenance or replacement of all community reserve items.

### **Study Method**

Every reserve item has been given an estimated remaining useful life, an estimated useful life when new, a present cost, and an estimated future cost based on inflation. The present costs of the reserve items in this report have been estimated using a variety of sources including professional cost estimating resources, actual costs provided by the client, our proprietary database, and the knowledge and experience of our Reserve Analysts. Equal annual payments are calculated for each reserve item based upon a payment starting year and a payment ending year using the end-of-period payment method. Interest earned, if applicable, on accumulated reserve funds and taxes on the reserve interest are also calculated. As you review this report, you may find the specifics e.g. quantities, costs, life expectancies, etc. of each reserve item in the [Reserve Study Expense Item Listing](#) table. We hope that you will appreciate the level of detail that is used in developing your customized funding plan.

Global Solution Partners has estimated future projected expenses for The Manors at Amyclae Townhouse Association - Bel Air, MD based upon the preservation of existing components within the community that the association is responsible for maintaining. The reserve study is limited in scope to those expense items listed in the [Reserve Study Expense Item Listing](#) table. Expense items that have an expected life of more than 30 years may not be included in this reserve study unless payment for these items overlaps the 30-year reserve study envelope.

Of primary concern is the preservation of a positive funding balance with funds sufficient to meet projected expenses throughout the study life. Based upon the included reserve funding study, it is our professional opinion that the annual reserve fund contributions recommended in the Annual Reserve Payment column of the [Cash Flow Analysis](#) table and subsequent breakdown of those contributions as member monthly fees shown in the [Projected Reserve Contributions](#) table will realize this goal.

In the process of developing the study, Global Solution Partners gathered specific information about the property by conducting a site visit and performing research through various sources. Additionally,

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The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

information e.g. current reserve fund balances, number of dues-paying members, desired start date, pertinent maintenance history, etc. were obtained directly from the client and/or the client's representative. Global Solution Partners relies on such information provided by the client and assumes it to be complete and accurate. Where the age of a particular Reserve Item (as listed in the Reserve Study) is unknown, the client or client's representative provided to Global Solution Partners the client's best-estimate age of that item. If the client or client's representative was unable to provide an estimate of a Reserve Item's age, Global Solution Partners made its own estimate of the age of the Reserve Item based on visual observation. The Reserve Study is created for the association's use and is a reflection of information gathered by and provided to Global Solution Partners.

This information is not for the purpose of performing an audit, historical records, quality, or forensic analyses. Any on-site evaluation is not considered to be a project audit, quality inspection, or engineering study.

### **Keeping Your Reserve Study Current**

Global Solution Partners believes that funding studies are an essential part of property management. People and property are constantly changing and evolving. As a result, the useful life of a funding study is at best a few years.

This reserve study should be updated when any of the following occur:

- At least once every three years
- At significant changes in inflation rates
- At changes in the number of dues-paying members
- Before starting new improvements
- Before making changes to the property
- After a flood or fire
- After the change of ownership or management
- After Annexation or Incorporation

### **Items Beyond the Scope of This Report**

- Building or land appraisals for any purpose
- State or local zoning ordinance violations
- Building code violations
- Soils conditions, soils contamination or geological stability of site
- Engineering analysis or structural stability of the site
- Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon
- Water quality or other environmental hazards
- Invasions by termites and any or all other destroying organisms or insects
- Damage or destruction due to birds, bats, or animals to buildings or site
- This study is not a pest inspection
- Adequacy or efficiency of any system or component on site
- Specifically excluded reserve items
- Septic systems and septic tanks
- Buried or concealed portions of swimming pools, pool liners, Jacuzzis and spas or similar items
- Items concealed by signs, carpets, or other things

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- Missing or omitted information not supplied by the client for purposes of reserve study preparation
- Hidden improvements such as sewer, water, and electrical lines, or other buried or concealed items
- A Property Condition Assessment or other specialty or comprehensive inspection
- A roof inspection

### **Maryland State Regulations**

The requirements for community associations in the State of Maryland are as follows:

House Bill 107 (HB 107) requires that community associations conduct a Reserve Study (and update that Reserve Study every five years) of the reserves needed for future major repairs and replacement of the common elements of a cooperative housing corporation or condominium, or the common areas of a homeowner's association (HOA).

### **Governing Documents**

The CCRs (conditions, covenants, and restrictions) governing documents were provided and reviewed as part of this study to assist in determining what parties are responsible for various assets within the community.

### **Items Considered to be Long-Lived**

Items considered to be long-lived are intentionally not included in this study. Long-lived items are typically those items that have a useful life expectancy beyond the current study period.

### **Items Considered to be Operational**

Items considered to be typically included in the operational budget are intentionally not included in this study. Operational budget items typically include routine maintenance and lower-cost items. The following items have been identified as operational budget items and therefore are not included in this study:

- General landscaping
- General community signage

### **Items Maintained by Others**

Items maintained by other entities or individuals i.e. municipalities, individual dwelling unit owners, other associations, utility companies, etc... are intentionally not included in this study. The following items have been identified as being maintained by others and therefore are not included in this study:

- Townhome units and their lots
- Asphalt streets and the associated concrete flatwork
- Street lights
- Unit driveways
- Fire hydrants on site
- Water supply system
- Sewer system
- Transformers on site

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The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

**Statement of Qualifications**

Global Solution Partners is a professional firm in the business of preparing Reserve Studies and other related property services for resorts, hotels, and community associations. We are familiar with construction practices, construction costs, and contracting practices. Our staff members have vast experience in property due diligence and hold many certifications and licenses including but not limited to; contracting, engineering, roofing, code inspection, real estate, project management, home inspection, and pest control.

**Conflict of Interest**

As the preparer of this reserve study, Global Solution Partners certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

Global Solution Partners would like to thank The Manors at Amyclae Townhouse Association for the opportunity to be of service in the preparation of this Reserve Study. If you have any questions, please don't hesitate to contact us.

**Prepared by**

Todd Thonen  
Project Manager  
Global Solution Partners

Prepared by Global Solution Partners  
The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

### Community Photos



Monument



Monument



Mailbox pedestal



Mailbox pedestal



Parking area



Common area lighting/mailbox pedestal back

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 The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

## Reserve Item Categories

### Site Elements



Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Common area lights replacement	\$2,940.00	4 Yrs	28 Yrs	2027	\$3,233.83	Y
Entrance and monuments refurbishment	\$29,400.00	10 Yrs	35 Yrs	2033	\$37,305.34	Y
Mailbox pedestal kiosk replacement	\$9,408.00	12 Yrs	25 Yrs	2035	\$12,520.04	Y

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**Paving**



Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Asphalt paved parking areas mill and overlay	\$16,204.20	15 Yrs	25 Yrs	2038	\$23,161.31	Y
Asphalt paved parking areas seal coating	\$1,362.30	3 Yrs	5 Yrs	2026	\$1,463.19	Y

Prepared by Global Solution Partners  
 Funding Reserve Analysis  
**Reserve Item Listing**

Category	Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Estimated Remaining Life When New	Year	Estimated Future Cost	Straight Line Payment
Paving	Asphalt paved parking areas mill and overlay	\$2.26 sqft	7,170 sqft	\$16,204	15 Yrs	25 Yrs	2038 2063 2088	\$23,161 \$42,007 \$76,187	\$1,448 \$1,680 \$3,047
Paving	Asphalt paved parking areas seal coating	\$0.19 sqft	7,170 sqft	\$1,362	3 Yrs	5 Yrs	2026 2031 2036	\$1,463 \$1,648 \$1,857	\$366 \$330 \$371
Site Elements	Common area lights replacement	\$588.00 ea	5 ea	\$2,940	4 Yrs	28 Yrs	2027 2055 2083	\$3,234 \$6,299 \$12,271	\$647 \$225 \$438
Site Elements	Entrance and monuments refurbishment	\$14700.00 lump sum	2 lump sum	\$29,400	10 Yrs	35 Yrs	2033 2068 2103	\$37,305 \$85,853 \$197,577	\$3,391 \$2,453 \$5,645
Site Elements	Mailbox pedestal kiosk replacement	\$2352.00 ea	4 ea	\$9,408	12 Yrs	25 Yrs	2035 2060 2085	\$12,520 \$22,707 \$41,184	\$963 \$908 \$1,647

Note for communities using straight line funding: Straight Line Annual Payments do not include earned interest, tax adjustments, or payments made with initial reserves.

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Funding Reserve Analysis

**Cash Flow Analysis**

Calendar Year	Annual Reserve Payment	Annual Interest	Annual Expenses	Annual Income Tax on Interest	Net Reserve Funds
2023	\$2,200	\$200		\$60	\$42,340
2024	\$2,253	\$212		\$64	\$44,741
2025	\$2,307	\$224		\$67	\$47,205
2026	\$2,363	\$236	\$1,463	\$71	\$48,270
2027	\$2,420	\$241	\$3,234	\$72	\$47,625
2028	\$2,478	\$238		\$71	\$50,270
2029	\$2,538	\$251		\$75	\$52,984
2030	\$2,599	\$265		\$79	\$55,768
2031	\$2,662	\$279	\$1,648	\$84	\$56,977
2032	\$2,726	\$285		\$85	\$59,902
2033	\$2,792	\$300	\$37,305	\$90	\$25,598
2034	\$2,859	\$128		\$38	\$28,547
2035	\$2,928	\$143	\$12,520	\$43	\$19,054
2036	\$2,998	\$95	\$1,857	\$29	\$20,263
2037	\$3,071	\$101		\$30	\$23,404
2038	\$3,145	\$117	\$23,161	\$35	\$3,469
2039	\$3,220	\$17		\$5	\$6,702
2040	\$3,298	\$34		\$10	\$10,023
2041	\$3,377	\$50	\$2,091	\$15	\$11,344
2042	\$3,459	\$57		\$17	\$14,843
2043	\$3,542	\$74		\$22	\$18,437
2044	\$3,628	\$92		\$28	\$22,129
2045	\$3,715	\$111		\$33	\$25,921
2046	\$3,804	\$130	\$2,356	\$39	\$27,461
2047	\$3,896	\$137		\$41	\$31,453
2048	\$3,990	\$157		\$47	\$35,553
2049	\$4,086	\$178		\$53	\$39,764
2050	\$4,185	\$199		\$60	\$44,088
2051	\$4,286	\$220	\$2,654	\$66	\$45,874
2052	\$4,389	\$229		\$69	\$50,423
2053	\$4,495	\$252		\$76	\$55,094
<b>Totals</b>	<b>\$99,707</b>	<b>\$5,252</b>	<b>\$88,290</b>	<b>\$1,576</b>	

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Funding Reserve Analysis

### Cash Flow by Calendar Year

The following chart shows that the reserve account balance meets or exceeds the annual cash flow requirement for the maintenance or replacement of all community reserve items.



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Funding Reserve Analysis

**Projected Reserve Contributions**

Calendar Year	Member Monthly Reserve Payment	Member Annual Reserve Payment	Monthly Reserve Payment	Annual Reserve Payment
2023	\$4.26	\$51.16	\$183.33	\$2,200.00
2024	\$4.37	\$52.40	\$187.75	\$2,253.02
2025	\$4.47	\$53.66	\$192.28	\$2,307.32
2026	\$4.58	\$54.95	\$196.91	\$2,362.92
2027	\$4.69	\$56.28	\$201.66	\$2,419.87
2028	\$4.80	\$57.63	\$206.52	\$2,478.19
2029	\$4.92	\$59.02	\$211.49	\$2,537.91
2030	\$5.04	\$60.44	\$216.59	\$2,599.08
2031	\$5.16	\$61.90	\$221.81	\$2,661.72
2032	\$5.28	\$63.39	\$227.16	\$2,725.86
2033	\$5.41	\$64.92	\$232.63	\$2,791.56
2034	\$5.54	\$66.48	\$238.24	\$2,858.83
2035	\$5.67	\$68.09	\$243.98	\$2,927.73
2036	\$5.81	\$69.73	\$249.86	\$2,998.29
2037	\$5.95	\$71.41	\$255.88	\$3,070.55
2038	\$6.09	\$73.13	\$262.05	\$3,144.55
2039	\$6.24	\$74.89	\$268.36	\$3,220.33
2040	\$6.39	\$76.70	\$274.83	\$3,297.94
2041	\$6.55	\$78.54	\$281.45	\$3,377.42
2042	\$6.70	\$80.44	\$288.23	\$3,458.82
2043	\$6.86	\$82.38	\$295.18	\$3,542.17
2044	\$7.03	\$84.36	\$302.30	\$3,627.54
2045	\$7.20	\$86.39	\$309.58	\$3,714.97
2046	\$7.37	\$88.48	\$317.04	\$3,804.50
2047	\$7.55	\$90.61	\$324.68	\$3,896.18
2048	\$7.73	\$92.79	\$332.51	\$3,990.08
2049	\$7.92	\$95.03	\$340.52	\$4,086.24
2050	\$8.11	\$97.32	\$348.73	\$4,184.72
2051	\$8.31	\$99.66	\$357.13	\$4,285.57
2052	\$8.51	\$102.07	\$365.74	\$4,388.86
2053	\$8.71	\$104.53	\$374.55	\$4,494.63

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Funding Reserve Analysis

### Annual Expenses

Year	Category	Reserve Item	Cost
2023		No reserve items for this year.	\$0
<b>Total for 2023:</b>			<b>\$0</b>
2024		No reserve items for this year.	\$0
<b>Total for 2024:</b>			<b>\$0</b>
2025		No reserve items for this year.	\$0
<b>Total for 2025:</b>			<b>\$0</b>
2026	Paving	Asphalt paved parking areas seal coating	\$1,463
<b>Total for 2026:</b>			<b>\$1,463</b>
2027	Site Elements	Common area lights replacement	\$3,234
<b>Total for 2027:</b>			<b>\$3,234</b>
2028		No reserve items for this year.	\$0
<b>Total for 2028:</b>			<b>\$0</b>
2029		No reserve items for this year.	\$0
<b>Total for 2029:</b>			<b>\$0</b>
2030		No reserve items for this year.	\$0
<b>Total for 2030:</b>			<b>\$0</b>
2031	Paving	Asphalt paved parking areas seal coating	\$1,648
<b>Total for 2031:</b>			<b>\$1,648</b>
2032		No reserve items for this year.	\$0
<b>Total for 2032:</b>			<b>\$0</b>
2033	Site Elements	Entrance and monuments refurbishment	\$37,305
<b>Total for 2033:</b>			<b>\$37,305</b>
2034		No reserve items for this year.	\$0
<b>Total for 2034:</b>			<b>\$0</b>
2035	Site Elements	Mailbox pedestal kiosk replacement	\$12,520
<b>Total for 2035:</b>			<b>\$12,520</b>
2036	Paving	Asphalt paved parking areas seal coating	\$1,857
<b>Total for 2036:</b>			<b>\$1,857</b>
2037		No reserve items for this year.	\$0
<b>Total for 2037:</b>			<b>\$0</b>
2038	Paving	Asphalt paved parking areas mill and overlay	\$23,161

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Funding Reserve Analysis

### Annual Expenses

Year	Category	Reserve Item	Cost
<b>Total for 2038:</b>			<b>\$23,161</b>
2039		No reserve items for this year.	\$0
<b>Total for 2039:</b>			<b>\$0</b>
2040		No reserve items for this year.	\$0
<b>Total for 2040:</b>			<b>\$0</b>
2041	Paving	Asphalt paved parking areas seal coating	\$2,091
<b>Total for 2041:</b>			<b>\$2,091</b>
2042		No reserve items for this year.	\$0
<b>Total for 2042:</b>			<b>\$0</b>
2043		No reserve items for this year.	\$0
<b>Total for 2043:</b>			<b>\$0</b>
2044		No reserve items for this year.	\$0
<b>Total for 2044:</b>			<b>\$0</b>
2045		No reserve items for this year.	\$0
<b>Total for 2045:</b>			<b>\$0</b>
2046	Paving	Asphalt paved parking areas seal coating	\$2,356
<b>Total for 2046:</b>			<b>\$2,356</b>
2047		No reserve items for this year.	\$0
<b>Total for 2047:</b>			<b>\$0</b>
2048		No reserve items for this year.	\$0
<b>Total for 2048:</b>			<b>\$0</b>
2049		No reserve items for this year.	\$0
<b>Total for 2049:</b>			<b>\$0</b>
2050		No reserve items for this year.	\$0
<b>Total for 2050:</b>			<b>\$0</b>
2051	Paving	Asphalt paved parking areas seal coating	\$2,654
<b>Total for 2051:</b>			<b>\$2,654</b>
2052		No reserve items for this year.	\$0
<b>Total for 2052:</b>			<b>\$0</b>
2053		No reserve items for this year.	\$0
<b>Total for 2053:</b>			<b>\$0</b>



**Reserve Study for**

**The Manors at Amyclae Townhouse Association  
Bel Air, MD**

**May 24, 2023**



Prepared by Global Solution Partners  
The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

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May 24, 2023

Ms. Amber Blizzard  
Community Association Manager  
HPS Management  
424 N. Union Avenue  
Havre de Grace, MD 21078

Dear Ms. Blizzard,

Global Solution Partners is pleased to present to you and The Manors at Amyclae Townhouse Association the requested Reserve Study. We believe that you will find this reserve funding study to be thorough and complete. After you have had an opportunity to review the report, please do not hesitate to contact us. We are always happy to answer any questions you may have.

### **Property Description**

The Manors at Amyclae Townhouse Association is a townhomes community located at Athens Court in Bel Air, MD. The community is comprised of 43 units across five dwelling unit buildings and is approximately 34 years old. The community has one main entrance on Athens Court and Econ Drive and is accessed by asphalt roads. The amenities include asphalt parking areas, mailbox pedestals, and two monuments at the entrance. The community appeared to be in good condition for its age.

### **Revised - May 24, 2023**

Per the directive of the client, the following changes have been made to the document dated February 21, 2023:

- An allowance for the parking pads at each residence has been included, adding roughly an additional 18,375 sqft of asphalt to the reserve study.

### **Executive Financial Summary**

Based on the information collected during the Reserve Study process, the recommended reserve fund contribution for 2023 is \$4,400. The annual contribution recommendations have been set to meet future expenses while avoiding special assessments and minimizing dues increases. The recommended contributions increase by the inflation rate of 3% in an effort to have today's homeowners and future homeowners share a fair and equitable portion of the financial obligations to maintain the community.

Most association board members find the [Cash Flow Analysis](#) table and the [Projected Reserve Contributions](#) table to be helpful overviews of the study. The cash flow table shows the recommended annual reserve payments by year for the entire 30-year study period. The Projected Reserve Contributions table breaks down the annual contribution based on the number of unit owners in the community and shows how much they will individually be contributing to the reserves on a monthly and annual basis.

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It is important to realize that this study is a snapshot based on current conditions and circumstances which no doubt will change. With this in mind, it is essential to have the study updated periodically to maintain its relevance.

**COVID-19 Labor and Materials Costs**

Due to the COVID-19 global pandemic, labor and material costs have increased significantly since the beginning of the pandemic; projections made in this report reflect the best information available for today's costs. Labor and material costs will continue to be evaluated by Global Solution Partners and will be reviewed in future updates.

**Date of Site Visit**

The site visit for The Manors at Amyclae Townhomes was conducted by Mr. Yaw Bonsu of Global Solution Partners on February 17, 2023.

**Property Observations**

- The bases of the mailbox pedestals are peeling; recommend scraping and painting as part of routine site maintenance using funds from the operational budget.
- The asphalt street and associated concrete flatwork are owned and maintained by the local municipality; however, the Association is responsible for the asphalt parking areas throughout the community.

**Depth of Study**

A site visit was made to verify the existing condition as it relates to the average life expectancies of the various reserve study components and to verify component quantities. In-place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either verify improvement plan take-offs or determine directly the quantities of various components. Photographs were taken of the site improvements.

**Summary of Financial Assumptions**

The below table contains a partial summary of information including desired study start date, number of dues-paying members, and beginning reserve fund balance, provided by the client or client's representative for The Manors at Amyclae Townhouse Association reserve funding study.

Reserve Study by Calendar Year Starting	January 1, 2023
Reserve Funding Study Length	30 years
Number of Dues Paying Members	43
Reserve Balance as of January 1, 2023	\$30,000.00
Annual Inflation Rate	2.41%

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Interest Rate on Reserve Funds	0.50%
Dues Change Period	1 year

**Recommended Payment Schedule**

The below table contains Global Solution Partners' recommended schedule of reserve fund contribution payments for the next five years. See the [Projected Reserve Contributions](#) table later in this report for the full 30 years. Failure to follow the proposed schedule of payments may result in inadequate reserve funds and require the use of Special Assessments in the future. The recommended reserve fund contributions have been set to meet future capital expenses while avoiding special assessments and minimizing dues increases.

Calendar Year	Member Monthly Reserve Payment	Monthly Reserve Payment	Annual Reserve Payment	Proposed Reserve Balance
2023	\$8.53	\$367	\$4,400	\$34,505
2024	\$8.78	\$378	\$4,532	\$39,158
2025	\$9.05	\$389	\$4,668	\$43,963
2026	\$9.32	\$401	\$4,808	\$47,461
2027	\$9.60	\$413	\$4,952	\$49,346

**Reserve Study Assumptions**

The below-listed assumptions are implicit in this reserve study:

- Cost estimates and financial information are accurate and current
- No unforeseen circumstances will cause a significant reduction of reserves
- Sufficient comprehensive property insurance exists to protect from insurable risks
- The association plans to continue to maintain the existing common areas and amenities
- Reserve payments occur at the end of every calendar month
- Expenses occur at the end of the expense year

**Impact of Component Life**

The projected life expectancy of the major components and the reserve funding needs of the Association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the component useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the Association. Failure to perform such maintenance can shorten the remaining useful life of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the Association.

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### **Inflation Estimate**

An annual inflation multiplier of 2.41% has been applied to all future expenses within the 30-year study period. This annual inflation rate was obtained by averaging the previous 30-years' rates as published by the U.S. Bureau of Labor Statistics.

### **Initial Reserves**

Initial reserves for this Reserve Study were projected by the client to be \$30,000.00 on January 1, 2023. An interest rate of 0.50% per year has been factored into this Reserve Study. The implicit assumption has been made that the reserve accounts were not drawn down between the date of the known reserve balance and the study start date.

### **Financial Condition of Association**

It is recommended that the association adjust its reserve fund contributions to align with the [Cash Flow Analysis](#) and [Projected Reserve Contributions](#) tables contained in this study.

### **Special Assessments**

Special Assessments have not been factored into this Reserve Study.

### **Reserve Funding Goal**

The reserve fund goal is to maintain a reserve account balance that meets or exceeds the annual cash flow requirement for the maintenance or replacement of all community reserve items.

### **Study Method**

Every reserve item has been given an estimated remaining useful life, an estimated useful life when new, a present cost, and an estimated future cost based on inflation. The present costs of the reserve items in this report have been estimated using a variety of sources including professional cost estimating resources, actual costs provided by the client, our proprietary database, and the knowledge and experience of our Reserve Analysts. Equal annual payments are calculated for each reserve item based upon a payment starting year and a payment ending year using the end-of-period payment method. Interest earned, if applicable, on accumulated reserve funds and taxes on the reserve interest are also calculated. As you review this report, you may find the specifics e.g. quantities, costs, life expectancies, etc. of each reserve item in the [Reserve Study Expense Item Listing](#) table. We hope that you will appreciate the level of detail that is used in developing your customized funding plan.

Global Solution Partners has estimated future projected expenses for The Manors at Amyclae Townhouse Association - Bel Air, MD based upon the preservation of existing components within the community that the association is responsible for maintaining. The reserve study is limited in scope to those expense items listed in the [Reserve Study Expense Item Listing](#) table. Expense items that have an expected life of more than 30 years may not be included in this reserve study unless payment for these items overlaps the 30-year reserve study envelope.

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Of primary concern is the preservation of a positive funding balance with funds sufficient to meet projected expenses throughout the study life. Based upon the included reserve funding study, it is our professional opinion that the annual reserve fund contributions recommended in the Annual Reserve Payment column of the [Cash Flow Analysis](#) table and subsequent breakdown of those contributions as member monthly fees shown in the [Projected Reserve Contributions](#) table will realize this goal.

In the process of developing the study, Global Solution Partners gathered specific information about the property by conducting a site visit and performing research through various sources. Additionally, information e.g. current reserve fund balances, number of dues-paying members, desired start date, pertinent maintenance history, etc. were obtained directly from the client and/or the client's representative. Global Solution Partners relies on such information provided by the client and assumes it to be complete and accurate. Where the age of a particular Reserve Item (as listed in the Reserve Study) is unknown, the client or client's representative provided to Global Solution Partners the client's best-estimate age of that item. If the client or client's representative was unable to provide an estimate of a Reserve Item's age, Global Solution Partners made its own estimate of the age of the Reserve Item based on visual observation. The Reserve Study is created for the association's use and is a reflection of information gathered by and provided to Global Solution Partners.

This information is not for the purpose of performing an audit, historical records, quality, or forensic analyses. Any on-site evaluation is not considered to be a project audit, quality inspection, or engineering study.

### **Keeping Your Reserve Study Current**

Global Solution Partners believes that funding studies are an essential part of property management. People and property are constantly changing and evolving. As a result, the useful life of a funding study is at best a few years.

This reserve study should be updated when any of the following occur:

- At least once every three years
- At significant changes in inflation rates
- At changes in the number of dues-paying members
- Before starting new improvements
- Before making changes to the property
- After a flood or fire
- After the change of ownership or management
- After Annexation or Incorporation

### **Items Beyond the Scope of This Report**

- Building or land appraisals for any purpose
- State or local zoning ordinance violations
- Building code violations
- Soils conditions, soils contamination or geological stability of site
- Engineering analysis or structural stability of the site
- Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon
- Water quality or other environmental hazards

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- Invasions by termites and any or all other destroying organisms or insects
- Damage or destruction due to birds, bats, or animals to buildings or site
- This study is not a pest inspection
- Adequacy or efficiency of any system or component on site
- Specifically excluded reserve items
- Septic systems and septic tanks
- Buried or concealed portions of swimming pools, pool liners, Jacuzzis and spas or similar items
- Items concealed by signs, carpets, or other things
- Missing or omitted information not supplied by the client for purposes of reserve study preparation
- Hidden improvements such as sewer, water, and electrical lines, or other buried or concealed items
- A Property Condition Assessment or other specialty or comprehensive inspection
- A roof inspection

### **Maryland State Regulations**

The requirements for community associations in the State of Maryland are as follows:

House Bill 107 (HB 107) requires that community associations conduct a Reserve Study (and update that Reserve Study every five years) of the reserves needed for future major repairs and replacement of the common elements of a cooperative housing corporation or condominium, or the common areas of a homeowner's association (HOA).

### **Governing Documents**

The CCRs (conditions, covenants, and restrictions) governing documents were provided and reviewed as part of this study to assist in determining what parties are responsible for various assets within the community.

### **Items Considered to be Long-Lived**

Items considered to be long-lived are intentionally not included in this study. Long-lived items are typically those items that have a useful life expectancy beyond the current study period.

### **Items Considered to be Operational**

Items considered to be typically included in the operational budget are intentionally not included in this study. Operational budget items typically include routine maintenance and lower-cost items. The following items have been identified as operational budget items and therefore are not included in this study:

- General landscaping
- General community signage

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**Items Maintained by Others**

Items maintained by other entities or individuals i.e. municipalities, individual dwelling unit owners, other associations, utility companies, etc... are intentionally not included in this study. The following items have been identified as being maintained by others and therefore are not included in this study:

- Townhome units and their lots
- Asphalt streets and the associated concrete flatwork
- Street lights
- Unit driveways
- Fire hydrants on site
- Water supply system
- Sewer system
- Transformers on site

**Statement of Qualifications**

Global Solution Partners is a professional firm in the business of preparing Reserve Studies and other related property services for resorts, hotels, and community associations. We are familiar with construction practices, construction costs, and contracting practices. Our staff members have vast experience in property due diligence and hold many certifications and licenses including but not limited to; contracting, engineering, roofing, code inspection, real estate, project management, home inspection, and pest control.

**Conflict of Interest**

As the preparer of this reserve study, Global Solution Partners certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

Global Solution Partners would like to thank The Manors at Amyclae Townhouse Association for the opportunity to be of service in the preparation of this Reserve Study. If you have any questions, please don't hesitate to contact us.

**Prepared by**

Todd Thonen  
Project Manager  
Global Solution Partners

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The Manors at Amyclae Townhouse Association - Bel Air, MD Reserve Study

### Community Photos



Monument



Monument



Mailbox pedestal



Mailbox pedestal



Parking area



Common area lighting/mailbox pedestal back

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## Reserve Item Categories

### Site Elements



Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Common area lights replacement	\$2,940.00	4 Yrs	28 Yrs	2027	\$3,233.83	Y
Entrance and monuments refurbishment	\$14,700.00	10 Yrs	35 Yrs	2033	\$18,652.67	Y
Mailbox pedestal kiosk replacement	\$9,408.00	12 Yrs	25 Yrs	2035	\$12,520.04	Y

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**Paving**



Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Asphalt paved parking areas mill and overlay - General parking area	\$16,204.20	15 Yrs	25 Yrs	2038	\$23,161.31	Y
Asphalt paved parking areas mill and overlay - Individual Lots	\$41,527.50	20 Yrs	25 Yrs	2043	\$66,862.58	Y
Asphalt paved parking areas seal coating - General parking area	\$1,362.30	3 Yrs	5 Yrs	2026	\$1,463.19	Y
Asphalt paved parking areas seal coating - Individual Lots	\$3,491.25	5 Yrs	5 Yrs	2028	\$3,932.72	Y

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 Funding Reserve Analysis  
**Reserve Item Listing**

Category	Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Estimated Remaining Life When New	Year	Estimated Future Cost	Straight Line Payment
Paving	Asphalt paved parking areas mill and overlay	\$2.26 sqft	7,170 sqft	\$16,204	15 Yrs	25 Yrs	2038	\$23,161	\$1,448
							2063	\$42,007	\$1,680
							2088	\$76,187	\$3,047
Paving	Asphalt paved parking areas mill and overlay	\$2.26 sqft	18,375 sqft	\$41,528	20 Yrs	25 Yrs	2043	\$66,863	\$3,184
							2068	\$121,267	\$4,851
							2093	\$219,939	\$8,798
Paving	Asphalt paved parking areas seal coating	\$0.19 sqft	7,170 sqft	\$1,362	3 Yrs	5 Yrs	2026	\$1,463	\$366
							2031	\$1,648	\$330
							2036	\$1,857	\$371
Paving	Asphalt paved parking areas seal coating	\$0.19 sqft	18,375 sqft	\$3,491	5 Yrs	5 Yrs	2028	\$3,933	\$655
							2033	\$4,430	\$886
							2038	\$4,990	\$998
Site Elements	Common area lights replacement	\$588.00 ea	5 ea	\$2,940	4 Yrs	28 Yrs	2027	\$3,234	\$647
							2055	\$6,299	\$225
							2083	\$12,271	\$438
Site Elements	Entrance and monuments refurbishment	\$7350.00 lump sum	2 lump sum	\$14,700	10 Yrs	35 Yrs	2033	\$18,653	\$1,696
							2068	\$42,926	\$1,226
							2103	\$98,789	\$2,823
Site Elements	Mailbox pedestal kiosk replacement	\$2352.00 ea	4 ea	\$9,408	12 Yrs	25 Yrs	2035	\$12,520	\$963
							2060	\$22,707	\$908
							2085	\$41,184	\$1,647

Note for communities using straight line funding: Straight Line Annual Payments do not include earned interest, tax adjustments, or payments made with initial reserves.

Prepared by Global Solution Partners  
Funding Reserve Analysis

### Cash Flow Analysis

Calendar Year	Annual Reserve Payment	Annual Interest	Annual Expenses	Annual Income Tax on Interest	Net Reserve Funds
2023	\$4,400	\$150		\$45	\$34,505
2024	\$4,532	\$173		\$52	\$39,158
2025	\$4,668	\$196		\$59	\$43,963
2026	\$4,808	\$220	\$1,463	\$66	\$47,461
2027	\$4,952	\$237	\$3,234	\$71	\$49,346
2028	\$5,101	\$247	\$3,933	\$74	\$50,687
2029	\$5,254	\$253		\$76	\$56,118
2030	\$5,411	\$281		\$84	\$61,726
2031	\$5,574	\$309	\$1,648	\$93	\$65,868
2032	\$5,741	\$329		\$99	\$71,839
2033	\$6,100	\$359	\$23,083	\$108	\$55,108
2034	\$6,283	\$276		\$83	\$61,584
2035	\$6,471	\$308	\$12,520	\$92	\$55,751
2036	\$6,666	\$279	\$1,857	\$84	\$60,755
2037	\$6,866	\$304		\$91	\$67,833
2038	\$7,072	\$339	\$28,151	\$102	\$46,991
2039	\$7,284	\$235		\$70	\$54,439
2040	\$7,502	\$272		\$82	\$62,132
2041	\$7,727	\$311	\$2,091	\$93	\$67,985
2042	\$7,959	\$340		\$102	\$76,182
2043	\$8,198	\$381	\$72,484	\$114	\$12,163
2044	\$8,444	\$61		\$18	\$20,649
2045	\$8,697	\$103		\$31	\$29,419
2046	\$8,958	\$147	\$2,356	\$44	\$36,124
2047	\$9,227	\$181		\$54	\$45,477
2048	\$9,504	\$227	\$6,332	\$68	\$48,808
2049	\$9,789	\$244		\$73	\$58,767
2050	\$10,082	\$294		\$88	\$69,055
2051	\$10,385	\$345	\$2,654	\$104	\$77,028
2052	\$10,696	\$385		\$116	\$87,994
2053	\$11,017	\$440	\$7,133	\$132	\$92,187
<b>Totals</b>	<b>\$225,368</b>	<b>\$8,225</b>	<b>\$168,938</b>	<b>\$2,467</b>	

Prepared by Global Solution Partners  
Funding Reserve Analysis

### Cash Flow by Calendar Year

The following chart shows that the reserve account balance meets or exceeds the annual cash flow requirement for the maintenance or replacement of all community reserve items.



Prepared by Global Solution Partners  
Funding Reserve Analysis

**Projected Reserve Contributions**

Calendar Year	Member Monthly Reserve Payment	Member Annual Reserve Payment	Monthly Reserve Payment	Annual Reserve Payment
2023	\$8.53	\$102.33	\$366.67	\$4,400.00
2024	\$8.78	\$105.40	\$377.67	\$4,532.00
2025	\$9.05	\$108.56	\$389.00	\$4,667.96
2026	\$9.32	\$111.81	\$400.67	\$4,808.00
2027	\$9.60	\$115.17	\$412.69	\$4,952.24
2028	\$9.89	\$118.62	\$425.07	\$5,100.81
2029	\$10.18	\$122.18	\$437.82	\$5,253.83
2030	\$10.49	\$125.85	\$450.95	\$5,411.45
2031	\$10.80	\$129.62	\$464.48	\$5,573.79
2032	\$11.13	\$133.51	\$478.42	\$5,741.00
2033	\$11.82	\$141.86	\$508.33	\$6,100.00
2034	\$12.18	\$146.12	\$523.58	\$6,283.00
2035	\$12.54	\$150.50	\$539.29	\$6,471.49
2036	\$12.92	\$155.01	\$555.47	\$6,665.63
2037	\$13.31	\$159.67	\$572.13	\$6,865.60
2038	\$13.70	\$164.46	\$589.30	\$7,071.57
2039	\$14.12	\$169.39	\$606.98	\$7,283.72
2040	\$14.54	\$174.47	\$625.19	\$7,502.23
2041	\$14.98	\$179.70	\$643.94	\$7,727.30
2042	\$15.42	\$185.10	\$663.26	\$7,959.12
2043	\$15.89	\$190.65	\$683.16	\$8,197.89
2044	\$16.36	\$196.37	\$703.65	\$8,443.83
2045	\$16.85	\$202.26	\$724.76	\$8,697.14
2046	\$17.36	\$208.33	\$746.50	\$8,958.06
2047	\$17.88	\$214.58	\$768.90	\$9,226.80
2048	\$18.42	\$221.01	\$791.97	\$9,503.60
2049	\$18.97	\$227.64	\$815.73	\$9,788.71
2050	\$19.54	\$234.47	\$840.20	\$10,082.37
2051	\$20.13	\$241.51	\$865.40	\$10,384.84
2052	\$20.73	\$248.75	\$891.37	\$10,696.39
2053	\$21.35	\$256.22	\$918.11	\$11,017.28

Prepared by Global Solution Partners  
Funding Reserve Analysis

### Annual Expenses

Year	Category	Reserve Item	Cost
2023		No reserve items for this year.	\$0
<b>Total for 2023:</b>			<b>\$0</b>
2024		No reserve items for this year.	\$0
<b>Total for 2024:</b>			<b>\$0</b>
2025		No reserve items for this year.	\$0
<b>Total for 2025:</b>			<b>\$0</b>
2026	Paving	Asphalt paved parking areas seal coating - General parking area	\$1,463
<b>Total for 2026:</b>			<b>\$1,463</b>
2027	Site Elements	Common area lights replacement	\$3,234
<b>Total for 2027:</b>			<b>\$3,234</b>
2028	Paving	Asphalt paved parking areas seal coating - Individual Lots	\$3,933
<b>Total for 2028:</b>			<b>\$3,933</b>
2029		No reserve items for this year.	\$0
<b>Total for 2029:</b>			<b>\$0</b>
2030		No reserve items for this year.	\$0
<b>Total for 2030:</b>			<b>\$0</b>
2031	Paving	Asphalt paved parking areas seal coating - General parking area	\$1,648
<b>Total for 2031:</b>			<b>\$1,648</b>
2032		No reserve items for this year.	\$0
<b>Total for 2032:</b>			<b>\$0</b>
2033	Site Elements	Entrance and monuments refurbishment	\$18,653
2033	Paving	Asphalt paved parking areas seal coating - Individual Lots	\$4,430
<b>Total for 2033:</b>			<b>\$23,083</b>
2034		No reserve items for this year.	\$0
<b>Total for 2034:</b>			<b>\$0</b>
2035	Site Elements	Mailbox pedestal kiosk replacement	\$12,520
<b>Total for 2035:</b>			<b>\$12,520</b>
2036	Paving	Asphalt paved parking areas seal coating - General parking area	\$1,857
<b>Total for 2036:</b>			<b>\$1,857</b>
2037		No reserve items for this year.	\$0
<b>Total for 2037:</b>			<b>\$0</b>

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Funding Reserve Analysis

### Annual Expenses

Year	Category	Reserve Item	Cost
2038	Paving	Asphalt paved parking areas mill and overlay - General parking area	\$23,161
2038	Paving	Asphalt paved parking areas seal coating - Individual Lots	\$4,990
<b>Total for 2038:</b>			<b>\$28,151</b>
2039		No reserve items for this year.	\$0
<b>Total for 2039:</b>			<b>\$0</b>
2040		No reserve items for this year.	\$0
<b>Total for 2040:</b>			<b>\$0</b>
2041	Paving	Asphalt paved parking areas seal coating - General parking area	\$2,091
<b>Total for 2041:</b>			<b>\$2,091</b>
2042		No reserve items for this year.	\$0
<b>Total for 2042:</b>			<b>\$0</b>
2043	Paving	Asphalt paved parking areas mill and overlay - Individual Lots	\$66,863
2043	Paving	Asphalt paved parking areas seal coating - Individual Lots	\$5,621
<b>Total for 2043:</b>			<b>\$72,484</b>
2044		No reserve items for this year.	\$0
<b>Total for 2044:</b>			<b>\$0</b>
2045		No reserve items for this year.	\$0
<b>Total for 2045:</b>			<b>\$0</b>
2046	Paving	Asphalt paved parking areas seal coating - General parking area	\$2,356
<b>Total for 2046:</b>			<b>\$2,356</b>
2047		No reserve items for this year.	\$0
<b>Total for 2047:</b>			<b>\$0</b>
2048	Paving	Asphalt paved parking areas seal coating - Individual Lots	\$6,332
<b>Total for 2048:</b>			<b>\$6,332</b>
2049		No reserve items for this year.	\$0
<b>Total for 2049:</b>			<b>\$0</b>
2050		No reserve items for this year.	\$0
<b>Total for 2050:</b>			<b>\$0</b>
2051	Paving	Asphalt paved parking areas seal coating - General parking area	\$2,654
<b>Total for 2051:</b>			<b>\$2,654</b>

Prepared by Global Solution Partners  
Funding Reserve Analysis

## Annual Expenses

Year	Category	Reserve Item	Cost
2052		No reserve items for this year.	\$0



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

**07/10/2024**

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).**

<b>PRODUCER</b> <b>Simmerer Insurance LLC</b> 601 7th St Ste 103 Laurel, MD 20707 License #: 124305	CONTACT NAME: <b>Christy Harman</b> PHONE (A/C, No, Ext): <b>(301)386-0900</b> FAX (A/C, No): <b>(301)368-6855</b> E-MAIL ADDRESS: <b>christy@simmererinsurance.com</b>														
<b>INSURED</b> <b>Manors at Amyclae Townhouse Association Inc.</b> c/o HPS Management 424 N Union Avenue Havre De Grace, MD 21078-2827	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>INSURER(S) AFFORDING COVERAGE</b></td> <td style="text-align: center;"><b>NAIC #</b></td> </tr> <tr> <td>INSURER A: <b>Nationwide General Insurance Company</b></td> <td style="text-align: center;"><b>23760N</b></td> </tr> <tr> <td>INSURER B: <b>Nationwide Mutual Insurance Company</b></td> <td style="text-align: center;"><b>23787N</b></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	<b>INSURER(S) AFFORDING COVERAGE</b>	<b>NAIC #</b>	INSURER A: <b>Nationwide General Insurance Company</b>	<b>23760N</b>	INSURER B: <b>Nationwide Mutual Insurance Company</b>	<b>23787N</b>	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

**COVERAGES**      **CERTIFICATE NUMBER: 00030940-15803**      **REVISION NUMBER: 3**

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"/> <b>COMMERCIAL GENERAL LIABILITY</b>  <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		ACPBP013211130667	12/20/2023	12/20/2024	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$</td><td style="text-align: right;"><b>1,000,000</b></td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$</td><td style="text-align: right;"><b>300,000</b></td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$</td><td style="text-align: right;"><b>5,000</b></td></tr> <tr><td>PERSONAL &amp; ADV INJURY</td><td style="text-align: right;">\$</td><td style="text-align: right;"><b>1,000,000</b></td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$</td><td style="text-align: right;"><b>2,000,000</b></td></tr> <tr><td>PRODUCTS - COMPI/OP AGG</td><td style="text-align: right;">\$</td><td style="text-align: right;"><b>2,000,000</b></td></tr> <tr><td> </td><td> </td><td> </td></tr> </table>	EACH OCCURRENCE	\$	<b>1,000,000</b>	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$	<b>300,000</b>	MED EXP (Any one person)	\$	<b>5,000</b>	PERSONAL & ADV INJURY	\$	<b>1,000,000</b>	GENERAL AGGREGATE	\$	<b>2,000,000</b>	PRODUCTS - COMPI/OP AGG	\$	<b>2,000,000</b>			
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PRODUCTS - COMPI/OP AGG	\$	<b>2,000,000</b>																										
	<b>AUTOMOBILE LIABILITY</b>  <input type="checkbox"/> ANY AUTO  <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$</td><td> </td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td><td> </td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td><td> </td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </table>	COMBINED SINGLE LIMIT (Ea accident)	\$		BODILY INJURY (Per person)	\$		BODILY INJURY (Per accident)	\$		PROPERTY DAMAGE (Per accident)	\$										
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B	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE  DED    RETENTION \$	Y		ACPCU013211130667	12/20/2023	12/20/2024	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$</td><td style="text-align: right;"><b>1,000,000</b></td></tr> <tr><td>AGGREGATE</td><td style="text-align: right;">\$</td><td style="text-align: right;"><b>1,000,000</b></td></tr> <tr><td> </td><td> </td><td> </td></tr> </table>	EACH OCCURRENCE	\$	<b>1,000,000</b>	AGGREGATE	\$	<b>1,000,000</b>															
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	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>PER STATUTE</td><td> </td><td>OTH-ER</td><td> </td></tr> <tr><td>E.L. EACH ACCIDENT</td><td style="text-align: right;">\$</td><td> </td><td> </td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td style="text-align: right;">\$</td><td> </td><td> </td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td style="text-align: right;">\$</td><td> </td><td> </td></tr> </table>	PER STATUTE		OTH-ER		E.L. EACH ACCIDENT	\$			E.L. DISEASE - EA EMPLOYEE	\$			E.L. DISEASE - POLICY LIMIT	\$							
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E.L. DISEASE - EA EMPLOYEE	\$																											
E.L. DISEASE - POLICY LIMIT	\$																											
A	<b>Employee Dishonesty</b>	Y		ACPBP013211130667	12/20/2023	12/20/2024	Each Occurrence    \$ <b>50,000</b>																					
A	<b>D&amp;O Liability</b>			ACPBP013211130667	12/20/2023	12/20/2024	Errors & Omissions    \$ <b>1,000,000</b>																					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
**NOTE: Any common elements and buildings are insured at 100% replacement cost. Building Replacement coverage is provided in the amount of \$23,200 for an Entry Pier, Mailboxes and Post. Policy Deductible is \$1,000. This community is comprised of 43 residential units. HPS Management is listed as an additional insured and covered under the Employee Dishonesty provision of this policy. Equipment Breakdown and Severability of Interest coverage is provided under the provisions of this policy. Wind and Hail coverage is provided under the provisions of this policy.**

<b>CERTIFICATE HOLDER</b>  HPS Management 424 N Union Avenue Havre de Grace, MD 21078	<b>CANCELLATION</b>  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  (CJH)
---	---



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COLUMBUS, OH 43215-2220  
1-877 On Your Side  
1 (877) 669-6877

**Nationwide®**

**COMMERCIAL PORTFOLIO ACP**

**3201130667**

**ACCOUNT NUMBER**

ACP 3201130667

**BILLING ACCOUNT NUMBER**

308150366

MANORS AT AMYCLAE TOWNHOUSE ASSOCIATION INC  
424 N UNION AVE  
HAVRE DE GRACE, MD 21078-2827

**PLEASE KEEP THIS FOR YOUR RECORDS**

We are pleased to serve your business insurance needs. Our company is committed to providing you high quality insurance protection and superior service.

If you should have any questions about your insurance portfolio or if you wish to make a change to your policy, please contact your agent.

**IMPORTANT INFORMATION ABOUT YOUR POLICY**

Please spend a few minutes to read and understand your policy. Some items to which you should pay special attention are as follows:

- **Special Required State Notices.** These notices, when included, point out specific items concerning your policy. We urge you to read them.
- **Declarations Page.** This shows such information as your name, address, the coverages provided, the policy term, policy limits, list of coverages forms, premium amounts, and other individualized information.
- **Coverage and Endorsement Forms.** This is the section of your policy which provides policy and coverage information. Please read it carefully.

59309000119018



**Your Commercial Insurance Portfolio**

Courtesy of:

Agency: SIMMERER INSURANCE LLC  
 Agency Number: 67953  
 Region Code: 042  
 Producer: DERIK FERRELL  
 Producer Number: 004  
 Agency Address: 601 7TH ST  
 STE 103  
 LAUREL, MD 20707-4011  
 Agency Phone Number: (301) 386-0900

INSURED COPY

MD 67953

Nationwide Mutual Insurance Company and Affiliated Companies, One Nationwide Plaza, Columbus, Ohio 43215-2220  
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**Nationwide**

**COMMERCIAL PACKAGE SUMMARY**

PRINTED 10-17-2023

Account Number: ACP 3201130667  
 Named Insured: MANORS AT AMYCLAE  
 TOWNHOUSE ASSOCIATION INC  
 Mailing Address: 424 N UNION AVE  
 HAVRE DE GRACE, MD 21078-2827  
 Agency: SIMMERER INSURANCE LLC  
 Agency Number: 67953  
 Producer: DERIK FERRELL  
 Producer Number: 004  
 Region Code: 042  
 Agency Address: 601 7TH ST  
 STE 103  
 LAUREL, MD 20707-4011  
 Agency Phone Number: (301) 386-0900



**Premiums/Fees**

**Total Account Premium \$1,724.00**

59309000119027



Line of Business	Premium
Businessowners	\$1,274.00
Commercial Umbrella	\$450.00

**Not a bill. Your bill is sent separately.**

INSURED COPY

MD 67953

This Commercial Package is a portfolio of individual policies which serves to combine various insurance coverages written under a group of separate contracts of insurance.

# COMMERCIAL UMBRELLA



59309000119037



INSURED COPY

MD 67953



# IMPORTANT NOTICE

## NOTICE OF TERRORISM INSURANCE COVERAGE

### NOTICE - DISCLOSURE OF PREMIUM

**Applies to all Commercial Policies, except for Farmowners Multiperil, Business Auto and Crime**

**(This disclosure notice does not provide coverage, and it does not replace any provisions of your policy. You should read your policy for complete information on the coverages you are provided. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.)**

Coverage for acts of terrorism is included in your policy. You are hereby notified that the Terrorism Risk Insurance Act, as amended in 2019, defines an act of terrorism in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Other than for Workers Compensation, the portion of your annual premium that is attributable to coverage for acts of terrorism is \$0 and does not include any charges for that portion of losses covered by the United States Government under the Act.

For Workers Compensation, the portion of your annual premium that is attributable to coverage for acts of terrorism is shown on your declarations page and does not include any charges for the portion of losses covered by the United States government under the Act.

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

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**Nationwide®**

## IMPORTANT NOTICE

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What you need to do

Please read this notice carefully. 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 any conflict between the policy and this notice, the provisions of the policy shall prevail.

### You can always count on us to be there

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

### Important Notice Description(s)

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#### PFC/PFAS Exclusion Disclosure

The purpose of this notice is to inform you that a PFC/PFAS Exclusion endorsement is included in this policy, which may not have been in your previous policy whether such policy was with us or another insurance company. These endorsements exclude bodily injury, property damage, and/or personal and advertising injury arising out of the actual or alleged contact, consumption or use of any PFC/PFAS. This exclusion is a clarification of coverage under the policy.



Please refer to the Schedule of Endorsements in your Policy Declarations pages for the applicable endorsement form.

We acknowledge that the terms, conditions and coverages in this policy have been negotiated in good faith with you. You have agreed to accept such terms, conditions and coverages. Your payment of the policy premium will constitute your acceptance of our policy including the PFC/PFAS Exclusion. Please read this exclusion carefully so that you will be familiar with its provisions.

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**Nationwide®**

## IMPORTANT NOTICE

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What you need to do

Please read this notice carefully. 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 any conflict between the policy and this notice, the provisions of the policy shall prevail.

### You can always count on us to be there

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

### Important Notice Description(s)

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#### Important Notice for Renewal Policies

In an effort to keep your insurance premium as low as possible, we have streamlined your renewal policy. We have not included printed copies of policy forms and endorsements that have not changed from your expiring policy unless they include variable information that is unique to you.

Please refer to your prior policies for printed copies of these forms. If you desire copies, they are available upon request from your agent.

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#### Important Notice to Maryland Policyholders

Your claims history is a consideration in the continued eligibility and pricing of your commercial insurance and could be the basis for our decision to cancel or non-renew. We offer resources to help you maintain the safest workplace possible for your employees and customers. If you would like to learn more about our Loss Control services and resources, please contact your agent.

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NATIONWIDE MUTUAL INSURANCE COMPANY

ONE WEST NATIONWIDE BLVD  
COLUMBUS, OH 43215-2220  
1-877 On Your Side  
1 (877) 669-6877

RENEWAL

Nationwide®

**COMMERCIAL UMBRELLA  
COMMON DECLARATIONS**

Policy Number: ACP CU013211130667

Named Insured: MANORS AT AMYCLAE TOWNHOUSE ASSOCIATION INC  
See Schedule of Named Insureds

Mailing Address: 424 N UNION AVE  
HAVRE DE GRACE, MD 21078-2827

Agency: SIMMERER INSURANCE LLC

Address: 601 7TH ST  
STE 103  
LAUREL, MD 20707-4011

Agency Phone: (301) 386-0900

Producer: DERIK FERRELL

Policy Period: Effective From 12-20-2023 To 12-20-2024  
12:01 AM Standard Time at the insured's mailing address.

The Insured is a(n): Corporation



**Premium/Fees**

Total Annual Premium	\$450.00
<b>Total Policy Premium</b>	<b>\$450.00</b>

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**Umbrella Limits**

Retained Limit Aggregate: NONE

Limits of Insurance:

- a) \$1,000,000 Each Occurrence
- b) \$1,000,000 Products - Completed Operations Aggregate
- c) \$1,000,000 Other Aggregate

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# COMMERCIAL UMBRELLA

## SCHEDULE(S)

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Policy Number: ACP CU013211130667

Policy Period: From 12-20-2023 To 12-20-2024

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### SCHEDULE OF NAMED INSUREDS

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<b>Named Insured</b>	<b>Type of Entity</b>
MANORS AT AMYCLAE TOWNHOUSE ASSOCIATION INC	Corporation

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**COMMERCIAL UMBRELLA**

SCHEDULE(S)

Policy Number: ACP CU013211130667

Policy Period: From 12-20-2023 To 12-20-2024

**FORMS AND ENDORSEMENTS SUMMARY**

Form Number	Title
CUDS01 01 18	Commercial Liability Umbrella Declarations
CU 00 01 04 13	Commercial Liability Umbrella Coverage Form
CU 01 03 03 11	Maryland - Condominiums
CU 01 09 09 00	Condominiums
CU 01 30 06 02	Maryland Changes
CU 02 01 12 17	Maryland Changes - Cancellation And Nonrenewal
CU 04 12 04 13	Condominiums, Co-Ops, Associations - Directors And Officers Liability Coverage
CU 21 11 09 00	Limitation Of Coverage To Designated Premises Or Project
CU 21 12 09 00	Abuse Or Molestation Exclusion
CU 21 23 02 02	Nuclear Energy Liability Exclusion Endorsement
CU 21 30 01 15	Cap On Losses From Certified Acts Of Terrorism
CU 21 44 01 15	Conditional Exclusion Of Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act)
CU 21 50 03 05	Silica Or Silica-Related Dust Exclusion
CU 21 51 12 05	Total Pollution Exclusion With A Hostile Fire Exception
CU 21 58 05 09	Communicable Disease Exclusion
CU 21 86 05 14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception
CU 24 05 09 00	Products/Completed Operations Hazard Redefined
CU 27 00 04 13	Underlying Claims-Made Coverage
NCU 70 42 01 20	Asbestos, Electronic Emissions, Lead, Radon, or Talc Exclusion
NCU 72 03 01 20	Non-Pyramiding Of Limits
NCU 72 27 01 20	Exclusion - Personal Data Compromise And Network Security Liability - Coverage A
NCU 74 31 10 22	PFC/PFAS Exclusion
IL 00 17 11 98	Common Policy Conditions
IL 09 85 12 20	Disclosure Pursuant To Terrorism Risk Insurance Act

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**Nationwide®**

# COMMERCIAL UMBRELLA

## SCHEDULE(S)

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Policy Number: ACP CU013211130667

Policy Period: From 12-20-2023 To 12-20-2024

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### IMPORTANT NOTICES

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Form Number	Title
NI0062 01 21	Notice of Terrorism Insurance Coverage
NI0109 11 22	PFC/PFAS Exclusion Disclosure
NI0004 01 17	Important Notice for Renewal Policies
NI0026 01 17	Important Notice to Maryland Policyholders

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# COMMERCIAL UMBRELLA

## SCHEDULE(S)

Policy Number: ACP CU013211130667

Policy Period: From 12-20-2023 To 12-20-2024

**Schedule Of Underlying Insurance (as identified by the entry of a company name, policy number, policy period and limits):**

### Businessowners

Policy Number: ACP BP013211130667

Policy Period: From 12-20-2023 To 12-20-2024

Company: NATIONWIDE GENERAL INSURANCE COMPANY

Limits of Insurance		Limit
Each Occurrence Limit of Insurance	Per Occurrence	\$1,000,000
Personal and Advertising Injury	Per Person Or Organization	\$1,000,000
Products - Completed Operations Aggregate	All Occurrences	\$2,000,000
General Aggregate (Other than Products - Completed Operations)	All Occurrences	\$2,000,000

Coverages		Limit
Directors And Officers Liability Coverage	Per Wrongful Act	\$1,000,000
	Aggregate	\$1,000,000

Important Notice: Restrictions, limitations and exclusions to the above scheduled underlying insurance (or any replacements thereof) will act as restrictions, limitations and exclusions to coverage A of this policy.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its Secretary and President

Secretary

President

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# CONDOMINIUMS, CO-OPS, ASSOCIATIONS - DIRECTORS AND OFFICERS LIABILITY COVERAGE

THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

### SCHEDULE

<b>Named Association:</b> MANORS AT AMYCLAE TOWNHOUSE ASSOCIATION INC	
<b>Directors And Officers Liability Annual Aggregate Limit Of Insurance:</b>	\$1,000,000
<b>Retained Limit:</b>	\$
<b>Pending Or Prior Litigation Date:</b>	<b>Retroactive Date:</b> 12-20-2022
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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A. The following are added to **Section I - Coverages:**

**1. Insuring Agreement - Management Liability**

a. We will pay on behalf of an "insured person" the "ultimate net loss" in excess of the "retained limit" which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph G., except to the extent that the "association" has indemnified the "insured person" for such "ultimate net loss".

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

b. If a "claim" against an "insured person" includes a "claim" against the "insured person's" spouse (whether such status is derived by reason of statutory or common law, or any other law of any country) solely by reason of:

- (1) Such spousal status; or
- (2) Such spouse's ownership interest in property or assets that are sought as recovery for the "wrongful act"

committed or allegedly committed by the "insured person";

all "ultimate net loss" in excess of the "retained limit" which such spouse becomes legally obligated to pay by reason of such "claim" will be treated for the purposes of this endorsement as "ultimate net loss" which the "insured person" becomes legally obligated to pay as a result of the "claim" made against such "insured person". Such "ultimate net loss" to the spouse will be covered under this endorsement only if and to the extent that such "ultimate net loss" would be covered if incurred by the "insured person".

However, this Paragraph b. does not apply to a "claim" arising out of any "wrongful act" committed or allegedly committed by the "insured person's" spouse.

c. This insurance also applies to "claims" arising out of the "wrongful acts" of an "insured person" made against:

- (1) The estate, heirs or legal representatives of a deceased "insured person"; and
- (2) The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

However, this Paragraph c. only applies to "claims" if and to the extent that, in the



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absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

**2. Insuring Agreement – Association Reimbursement**

We will pay on behalf of the "association" any "ultimate net loss" in excess of the "retained limit" for which the "association" has indemnified an "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" (or an "insured person's" spouse or any other party granted the rights of an "insured person" under Paragraph 1.) during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph G.

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

**3. Insuring Agreement – Association Liability**

We will pay on behalf of the "association" any "ultimate net loss" in excess of the "retained limit" which the "association" becomes legally obligated to pay as a result of a "claim" first made against the "association" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph G.

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "association" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

**4. Defense And Settlement**

We will have the right and duty to defend the insured against any "claim" made against the insured under Paragraph A. of this endorsement when the "underlying insurance" does not provide coverage or the limits of the "underlying insurance" have been exhausted.

However, we will have no duty to defend the insured against any "claim" because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "loss". We may, with your written consent, settle any "claim".

All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insured persons" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Paragraph E. or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Paragraph E.

**B. Exclusions**

For the purposes of the coverage provided by this endorsement, this insurance does not apply to any "loss" resulting from any "claim":

1. Arising out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation.
2. For "bodily injury".
3. For mental or emotional distress, except when allegations of mental or emotional distress are made in a "claim" arising from a "wrongful employment practices act".
4. For "property damage".
5. Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.
6. Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.
7. Arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:
  - a. During a prior policy period of this policy; or
  - b. Under any insurance policy of which this policy is a replacement.
8. Arising out of any demand, "suit" or other proceeding against any insured which was pending on or existed prior to the applicable Pending Or Prior Litigation Date shown in the Schedule, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such demand, "suit" or other proceeding.
9. Arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.
10. Arising out of any "wrongful act" committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the



"association" even if the "association" directed or requested that "insured person" to serve in such other position or capacity.

11. Brought by or on behalf of the "association" or any "insured person", in any capacity, except:
  - a. A "claim" that is a derivative action brought on behalf of the "association" by one or more unit-owners who are not "insured persons" and who bring the "claim" without the solicitation, assistance or participation of any "insured person" or the "association"; or
  - b. A "claim" arising out of a "wrongful employment practices act".
12. For an actual or alleged violation of the Employee Retirement Income Security Act of 1974 and its amendments, or similar provisions of any federal, state, local or statutory law or common law.
13. For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the "association" under any such contract or agreement, except if:
  - a. The "association" would have been liable in the absence of such contract or agreement; or
  - b. Allegations of liability or breach of such contract or agreement are made in a "claim" arising out of a "wrongful employment practices act".
14. Arising out of "personal and advertising injury".
15. Arising out of:
  - a. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
  - b. Any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - c. A "claim" made or "suit" brought by or on behalf of any 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";

including without limitation any "claim" by or on behalf of the "association".
16. Arising out of "wrongful acts" in the selection or direct or indirect supervision of any contractor or subcontractor liable or alleged to be liable

for any defect in construction at any premises insured under this policy.

- A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying the exclusions set forth in this Paragraph B.
- C. For the purposes of the coverage provided by this endorsement, **Section II – Who Is An Insured** is replaced by the following:
    1. The "association" is an insured.
    2. "Insured persons" are insureds.
  - D. For the purposes of coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:
    1. Our obligation to pay damages on behalf of the insured applies only to the amount of "ultimate net loss" in excess of the "retained limit" shown in the Schedule of this endorsement. If there is "underlying insurance" with a policy period that is nonconcurrent with the policy period of this endorsement, the "retained limit" will only be reduced or exhausted by "claims" for that insurance that are made during the policy period or the Extended Reporting Period of this endorsement.
    2. The Directors and Officers Liability Annual Aggregate Limit of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
      - a. Insureds;
      - b. "Claims" made or "suits" brought;
      - c. Persons, organizations or government agencies making "claims" or bringing "suits"; or
      - d. "Wrongful acts".
    3. The Directors and Officers Liability Annual Aggregate Limit of Insurance is the most we will pay for the sum of all "ultimate net loss" because of "wrongful acts" covered under this endorsement.
 

If the aggregate limit is exhausted by payment of "ultimate net loss" we will have no further obligations or liability of any kind under this endorsement.

"Claims expenses" are part of the "ultimate net loss" and are payable within the Limit of Insurance shown in the Schedule, thereby reducing that limit.

The Limits of Insurance of this endorsement 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 of the policy to which this endorsement is attached, unless the policy

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period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. For the purposes of the coverage provided by this endorsement, Condition 3. of **Section IV – Commercial Liability Umbrella Conditions** is replaced by the following:

**3. Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit**

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

- (1) What the "wrongful act" was and when it occurred; and
- (2) The names and addresses of anyone who may suffer damages as a result of the "wrongful act".

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 any "wrongful acts" to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

F. For the purposes of the coverage provided by this endorsement, the following is added to **Section IV – Commercial Liability Umbrella Conditions: Consent To Settle**

If we recommend a settlement to the insured which is acceptable to the claimant, but to which the insured does not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which the insured did not give consent, plus "claims expenses" incurred as of the date such settlement was proposed in writing by us to the insured.

G. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replace any similar section in that Coverage Part.

**Extended Reporting Period**

1. You will have the right to purchase an Extended Reporting Period, as described below, if:

- a. This endorsement is cancelled or not renewed for any reason; or
- b. We renew or replace this endorsement with insurance that:
  - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
  - (2) Does not apply to "wrongful acts" on a claims-made basis.

2. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of coverage provided. It applies only to "claims" to which the following apply:

- a. The "claim" is first made during the Extended Reporting Period;
- b. The "wrongful act" occurs before the end of the policy period; and
- c. The "wrongful act" did not commence before the Retroactive Date.

Once in effect, the Extended Reporting Period may not be cancelled.

3. An Extended Reporting Period of three years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 30 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

4. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The exposures insured;



- b. Previous types and amounts of insurance;
- c. Limit of Insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium may not exceed 100% of the annual premium for this endorsement. The premium for the Extended Reporting Period will be deemed fully earned as of the date it is purchased.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

- 5. The Extended Reporting Period does not reinstate or increase the Limits of Insurance.

H. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** section:

- 1. "Association" means the entity named in the Schedule as the named association.
- 2. "Claim" means:
  - a. A written demand for monetary damages against any insured;
  - b. A civil proceeding against any insured commenced by the service of a complaint or similar pleading;
  - c. A criminal proceeding against any "insured person" commenced by a return of an indictment; or
  - d. A formal administrative or regulatory proceeding against any insured commenced by the filing of a notice of charges, formal investigative order or similar document;
 for a "wrongful act", including any appeal therefrom.
- 3. "Claims expenses" means that part of a "loss" consisting of reasonable and necessary fees (including attorneys' and experts' fees), expenses incurred in the defense or appeal of a "claim", and the premium for appeal, attachment or similar bonds (without any obligation on our part to provide such bonds), excluding the wages, salaries, benefits or expenses of any "insured person".
- 4. "Financial insolvency" means the status of the "association" resulting from:

- a. The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "association"; or
- b. The "association" becoming a debtor in possession.

- 5. "Insured person" means any former, present or future director, officer, trustee, employee or volunteer of the "association".

- 6. "Interrelated wrongful act" means all causally connected "wrongful acts".

- 7. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes or matters that are uninsurable pursuant to applicable law.

- 8. "Wrongful act" includes a "wrongful employment practices act" and means:

- a. With respect to the "insured person", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity. This does not apply to a position or capacity in any entity other than the "association", even if the "association" directed or requested the "insured person" to serve in such other position or capacity.
- b. With respect to the "association", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "association".

- 9. "Wrongful employment practices act" means any of the following offenses, but only when they are employment-related:

- a. Wrongful dismissal, discharge or termination of employment;
- b. Breach of any implied employment contract;
- c. Employment-related misrepresentation;
- d. Violation of any federal, state or local statute, regulation, ordinance or common law concerning employment or discrimination in employment;
- e. Sexual harassment (as that term is defined by the Federal Equal Employment Opportunity Commission) or other illegal workplace harassment;

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- f. Wrongful failure to employ or promote;
  - g. Wrongful reference, discipline or deprivation of a career opportunity;
  - h. Failure to adopt adequate workplace or employment policies and procedures; or
  - i. Illegal retaliatory treatment.
- I.** For the purposes of the coverage provided by this endorsement, Definitions **21.** and **23.** in **Section V – Definitions** are replaced by the following:
- 21.** "Suit" means a civil proceeding in which damages because of a "wrongful act" 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.
- 23.** "Ultimate net loss" means the total sum of "loss", after reduction for recoveries or salvages collectible, that the insured becomes legally obligated to pay as damages by reason of settlement or judgments or any arbitration or other alternate dispute method entered into with our consent or the "underlying insurer's" consent.



POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LIMITATION OF COVERAGE TO DESIGNATED  
PREMISES OR PROJECT**

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

**SCHEDULE**

**Premises:**

THOSE PREMISES THAT ARE SHOWN IN THE DECLARATIONS ON THE SCHEDULE OF "UNDERLYING INSURANCE" AND YOUR OPERATIONS NECESSARY OR INCIDENTAL TO THOSE PREMISES.

**Project:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance applies only to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

2. The project shown in the Schedule.

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

## SCHEDULE

**Description Of Premises And Operations:**

THOSE PREMISES AND / OR OPERATIONS TO WHICH PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED APPLIES ON THE SCHEDULE OF "UNDERLYING INSURANCE".

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to "bodily injury" or "property damage" arising out of "your products" manufactured, sold, handled or distributed:

1. On, from or in connection with the use of any premises described in the Schedule, or
2. In connection with the conduct of any operation described in the Schedule, when conducted by you or on your behalf,

Paragraph a. of the definition of "Products-completed operations hazard" in the Definitions Section is replaced by the following:

"Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" that arises out of "your products" if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**PFC/PFAS EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA 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:**

**2. Exclusions**

This insurance does not apply to:

**“PFC/PFAS”**

- a. “Bodily injury” or “property damage” which would not have occurred, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of, any “PFC/PFAS”; or
- b. Any loss, cost or expense arising out of, in whole or in part, the abating, testing for, monitoring, clean up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, “PFC/PFAS”, by any insured or by any other person or entity.

This exclusion applies regardless of whether any other cause, event, material, substance, good or product, contributed concurrently or in any sequence to such injury or damage. This exclusion also applies regardless of whether any “PFC/PFAS” is contained, used, included, involved or incorporated intentionally, accidentally or unknowingly in or on a good or product, component part of a good or product, or otherwise by any insured or by any other person or entity. This exclusion applies regardless of whether the inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of any “PFC/PFAS” occurs within or outside of any building or other structure.

**B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverages – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**“PFC/PFAS”**

- a. “Personal and advertising injury” which would not have occurred, in whole or in part, but for the actual, alleged, threatened, suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of, any “PFC/PFAS”; or
- b. Any loss, cost or expense arising out of, in whole or in part, 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, “PFC/PFAS”, by any insured or by any other person or entity.

This exclusion applies regardless of whether any other cause, event, material, substance, good or product contributed concurrently or in any sequence to such injury or damage. This exclusion also applies regardless of whether any “PFC/PFAS” is contained, used, included, involved or incorporated intentionally, accidentally or unknowingly in or on a good or product, component part of a good or product, or otherwise by any insured or by any other person or entity. This exclusion applies regardless of whether the inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of any “PFC/PFAS” occurs within or outside any building or other structure.

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C. The following definition is added to the **Definitions** section:

“PFC/PFAS” means:

a. Any fluorosurfactant, perfluorinated chemical or compound, or perfluoroalkyl or polyfluoroalkyl substance, including but not limited to any per- or polyfluorinated acid (including, without limitation, perfluorooctanoic acid (PFOA), perfluorooctanesulfonic acid (PFOS), and per- and polyfluoroether carboxylic acids), per- or polyfluorinated sulfonamide, per- or polyfluorinated iodide, per- or polyfluorinated aldehyde, per- or polyfluorinated sulfonyl fluoride, per- or polyfluorinated fluorotelomer substance or per- or polyfluorinated sulfonamido substance; or

b. any perfluoroalkane or polyfluoroalkane substance, including but not limited to carbon tetrafluoride, perfluorooctane, and perfluoro-2-methylpentane; or

c. any fluorinated polymers, including but not limited to fluoropolymers, perfluoropolyethers and side-chain-fluorinated polymers; or

any of the associated homologues, isomers, salts, esters, alcohols, acids, precursor chemicals and derivatives, and related degradation or by-products of any such constituent.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not exclude coverage for **PFC/PFAS**-related injury, damage, loss, cost or expense.



**All other conditions and provisions of the policy remain unchanged by this endorsement.**

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

## **DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

### **SCHEDULE**

<b>SCHEDULE – PART I</b>	
<b>Terrorism Premium (Certified Acts)</b>	<b>\$ 0</b>
<b>This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):</b>	
COMMERCIAL PROPERTY COVERAGE PART COMMERCIAL GENERAL LIABILITY COVERAGE PART COMMERCIAL LIABILITY UMBRELLA COVERAGE PART	
<b>Additional information, if any, concerning the terrorism premium:</b>	
<b>SCHEDULE – PART II</b>	
<b>Federal share of terrorism losses</b>	<b>80 %</b>
<b>(Refer to Paragraph B. in this endorsement.)</b>	
<b>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</b>	

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#### **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.

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# BUSINESSOWNERS

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# IMPORTANT NOTICE

## NOTICE OF TERRORISM INSURANCE COVERAGE

### NOTICE - DISCLOSURE OF PREMIUM

**Applies to all Commercial Policies, except for Farmowners Multiperil, Business Auto and Crime**

**(This disclosure notice does not provide coverage, and it does not replace any provisions of your policy. You should read your policy for complete information on the coverages you are provided. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.)**

Coverage for acts of terrorism is included in your policy. You are hereby notified that the Terrorism Risk Insurance Act, as amended in 2019, defines an act of terrorism in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Other than for Workers Compensation, the portion of your annual premium that is attributable to coverage for acts of terrorism is \$0 and does not include any charges for that portion of losses covered by the United States Government under the Act.

For Workers Compensation, the portion of your annual premium that is attributable to coverage for acts of terrorism is shown on your declarations page and does not include any charges for the portion of losses covered by the United States government under the Act.

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

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**Nationwide**

## IMPORTANT NOTICE

### Flood Insurance Notice

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What you need to know

Your policy does not cover damage from floods to any property resulting directly or indirectly from "water".

Excluded "water" losses include, but are not limited to those caused by:

- Flood
- Surface water
- Waves
- Tides
- Tidal waves
- Overflow of any body of water, or their spray, all whether driven by wind or not.

These types of loss or damage caused by "water" are excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. You'll need to read your policy for all of the details about excluded water losses. This is just a summary of the excluded water losses to highlight some important flood-related issues.

### Additional information

In most communities you can obtain flood insurance policies backed by the federal government's National Flood Insurance Program, through your agent. In those qualifying communities, you can obtain flood insurance protection for your property regardless of your flood zone or flood risk.

Your agent can assist you in:

- Determining if your community participates in the National Flood Insurance Program
- Assessing your flood risk
- Understanding flood policy availability

To learn more about flood insurance and your risk of flooding, access the National Flood Insurance Program's consumer website at [www.FloodSmart.gov](http://www.FloodSmart.gov).

As you consider the risk of flooding in your area and consider your options for obtaining valuable protection, consider that:

- All property is in a flood zone, regardless of whether an area has been defined as high risk or low risk.
- Nearly 25% of all flood claims are for properties located in lower-risk flood areas or locations where flooding is not expected.
- Floods can happen anywhere, at any time, causing anguish, destruction, and financial damage.
- Changing weather patterns, as well as residential and business development, may increase your chance of experiencing a flood.
- Flooding can occur as a result of clogged, overloaded, or inadequate storm drains. You don't have to live near a body of water to be flooded.
- Federal disaster assistance is often a loan and must be repaid with interest.

Ask your agent about obtaining flood insurance for your property today.

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**Nationwide®**

## IMPORTANT NOTICE

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### **What you need to do**

Please read this notice carefully. 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 any conflict between the policy and this notice, the provisions of the policy shall prevail.

### **You can always count on us to be there**

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

### **Important Notice Description(s)**

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#### **PFC/PFAS Exclusion Disclosure**

The purpose of this notice is to inform you that a PFC/PFAS Exclusion endorsement is included in this policy, which may not have been in your previous policy whether such policy was with us or another insurance company. These endorsements exclude bodily injury, property damage, and/or personal and advertising injury arising out of the actual or alleged contact, consumption or use of any PFC/PFAS. This exclusion is a clarification of coverage under the policy.



Please refer to the Schedule of Endorsements in your Policy Declarations pages for the applicable endorsement form.

We acknowledge that the terms, conditions and coverages in this policy have been negotiated in good faith with you. You have agreed to accept such terms, conditions and coverages. Your payment of the policy premium will constitute your acceptance of our policy including the PFC/PFAS Exclusion. Please read this exclusion carefully so that you will be familiar with its provisions.

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**Nationwide®**

## IMPORTANT NOTICE

### Information for Insureds Who Have Tenants

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What's "subrogation"

Subrogation is the ability to recover damages from a responsible party. The subrogation clause in your insurance contract permits us to pursue recovery against those parties responsible for losses under your policy. Subrogation plays an important role in the claims settlement process when a loss occurs.

### What you need to know

The "Anti-Subrogation Rule/Implied Co-Insured Doctrine" may limit subrogation on your policy by preventing landlords and their insurance companies from recovering damages caused by tenants. These damages may include:

- The property deductible you pay
- Uninsured or partially covered losses
- Losses that occur as a result of tenants' negligence

If this doctrine is applied where your buildings are located, you may be unable to seek repayment from your tenants if they negligently cause a fire in your building. To prevent this from occurring, additional provisions may be needed in your lease agreements to clarify who is responsible for damages when property damage or injury is caused by a tenant's negligence.

### What you need to do

This information is not intended to be legal advice and is provided for informational purposes only. We recommend that you contact an attorney for more guidance on the "Anti-Subrogation Rule/Implied Co-Insured Doctrine" and how it affects the lease agreement between you and your tenants.

Please read this notice carefully. 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 any conflict between the policy and this notice, the provisions of the policy shall prevail.

### You can always count on us to be there

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

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**Nationwide®**

## IMPORTANT NOTICE

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What you need to do

Please read this notice carefully. 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 any conflict between the policy and this notice, the provisions of the policy shall prevail.

### You can always count on us to be there

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

### Important Notice Description(s)

#### Important Notice for Renewal Policies

In an effort to keep your insurance premium as low as possible, we have streamlined your renewal policy. We have not included printed copies of policy forms and endorsements that have not changed from your expiring policy unless they include variable information that is unique to you.

Please refer to your prior policies for printed copies of these forms. If you desire copies, they are available upon request from your agent.

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#### Important Notice to Maryland Policyholders

Your claims history is a consideration in the continued eligibility and pricing of your commercial insurance and could be the basis for our decision to cancel or non-renew. We offer resources to help you maintain the safest workplace possible for your employees and customers. If you would like to learn more about our Loss Control services and resources, please contact your agent.

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#### Data Breach & Identity Recovery Services

Through a partnership with Hartford Steam Boiler, you have access to a data breach risk management portal called the eRisk Hub. The portal is designed to help you understand data information exposures, help you plan and be prepared for a data breach, and establish a response plan to manage the costs and minimize the effects of a data breach.

Key features of the portal include:

- **Incident Response Plan Roadmap** – Suggested steps your business can take following data breach incident; having an incident response plan prepared in advance of a breach can be useful for defense of potential litigation
- **Online Training Modules** – Ready-to-use training for your business on privacy best practices and Red Flag Rules
- **Risk Management Tools** – Assist your business in managing data breach exposures including self-assessments and state breach notification laws
- **eRisk Resources** – A directory to quickly find external resources on pre and post-breach disciplines
- **News Center** – Cyber risk stories, security and compliance blogs, security news, risk management events, and helpful industry links

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- **Learning Center** – Best practices and white papers written by leading authorities

To access the eRisk Hub portal:

- Enter <https://www.eriskhub.com/nationwide.php> in your browser
- Complete the information, including your name and company; your User ID and Password are case-sensitive
- Enter your assigned access code: **12116-73**
- Enter the challenge word on the screen, and click "Submit" and follow the instructions to complete your profile setup
- You can now login to the portal

You also have access to a help-line to answer breach related questions. Insureds having questions pertaining to how to prepare for a breach, help in identifying a breach, or other questions pertaining to breach related best practices can call our breach preparedness help-line. Experienced professionals are able to provide insights to help insureds understand the complicated environment pertaining to breaches of personal information. The breach preparedness help-line is 877-800-5028.

In addition, you have the ability to purchase Data Compromise Insurance coverage and CyberOne Insurance coverage.

The Data Compromise coverage covers the costs incurred by an insured to respond to a data breach, including expenses related to forensic information technology review, legal review, notification to affected individuals, services to affected individuals, public relations services. Insureds will also have the ability to include Data Compromise Defense and Liability coverage which covers the liability from a suit brought by an individual affected by the data breach.

CyberOne coverage protects businesses against damage to electronic data and computer systems from a virus or other computer attack. It also protects a business's liability to third parties that may have suffered damage due to security weaknesses in the business's computer system.

#### **Identity Recovery Services Information:**

Through a partnership Hartford Steam Boiler, you will have access to a Toll-Free Identity Recovery Help Line designed to provide education about identity theft and identity theft risks. The toll-free Help Line is staffed by experienced identity theft counsellors who can answer questions and provide useful information and resources to identity theft victims. The Identity Recovery Help Line number is 877-800-5028.



In addition, you have the ability to buy Identity Recovery insurance coverage as an included element of Data Compromise coverage or separately, on its own. The Identity Recovery coverage insures against the theft of identities of the insured's key owners, officers, and resident family members. The coverage provides the services of an identity theft case manager and pays for various out-of-pocket expenses due to a covered identity theft, including:

- Legal fees for answer of civil judgments and defense of criminal charges
- Phone, postage, shipping fees
- Notary and filing fees
- Credit bureau reports
- Lost Wages and Child or Elder Care
- Mental Health Counseling costs (Not Available in NY)
- Miscellaneous Expense coverage

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### **CONSUMER REPORT INQUIRY NOTICE**

Consumer reports, including credit history may have been ordered from a consumer reporting agency to underwrite and/or rate your insurance policy. You have the right to access this information and request correction of any inaccuracies. Your consumer reports, including your credit history are not affected in any way by our inquiry.

We are committed to respecting your privacy and safeguarding your personal information.

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**Nationwide®**

## IMPORTANT NOTICE

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What you need to do

Please read this notice carefully. No coverage is provided by this notice nor can it be construed to replace any provision of your policy. Your policy may not include all of the options and endorsements discussed below. You should read your policy and review your declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.

### You can always count on us to be there

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

The following sections detail changes that will be made to the coverages or endorsements that may be written with your policy. These updates may result in a change of coverage. All the updates listed may or may not apply to your policy.

### Important Notice Description(s)

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#### DEPRECIATION OF LABOR AND OVERHEAD AND PROFIT

You are receiving this important notice because language has been added to your policy to clarify that both labor and overhead and profit are subject to depreciation, in addition to materials. Your state amendatory form contains this new provision.

As a reminder, the actual cash value of lost or damaged property may be significantly less than its replacement cost. Please reach out to your agent with any questions or concerns.

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Nationwide®

NATIONWIDE GENERAL INSURANCE COMPANY

ONE WEST NATIONWIDE BLVD  
COLUMBUS, OH 43215-2220  
1-877 On Your Side  
1 (877) 669-6877

RENEWAL

**PREMIER BUSINESSOWNERS POLICY**  
HABITATIONAL  
**COMMON DECLARATIONS**

Policy Number: ACP BP013211130667  
Named Insured: MANORS AT AMYCLAE TOWNHOUSE ASSOCIATION INC  
Mailing Address: 424 N UNION AVE  
HAVRE DE GRACE, MD 21078-2827  
Agency: SIMMERER INSURANCE LLC  
Address: 601 7TH ST  
STE 103  
LAUREL, MD 20707-4011  
Agency Phone Number: (301) 386-0900  
Producer: DERIK FERRELL  
Policy Period: Effective From 12-20-2023 To 12-20-2024  
12:01 AM Standard Time at your principal place of business



**Premiums/Fees**

Total Annual Premium	\$1,274.00
<b>Total Policy Premium</b>	<b>\$1,274.00</b>

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Form of your business entity: Corporation

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

These Common Policy Declarations, together with the Common Policy Conditions, Coverage Form Declarations,  
Coverage Forms and any endorsements issued to form a part thereof, complete the Policy numbered above.

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**Nationwide®**

# PREMIER BUSINESSOWNERS POLICY

HABITATIONAL

## COMMON DECLARATIONS

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Policy Number: ACP BP013211130667

Policy Period: From 12-20-2023 To 12-20-2024

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### SCHEDULE OF NAMED INSUREDS

**Named Insured:**

MANORS AT AMYCLAE TOWNHOUSE ASSOCIATION INC





**Nationwide\***

**PREMIER BUSINESSOWNERS POLICY  
HABITATIONAL  
PROPERTY DECLARATIONS**

Policy Number: ACP BP013211130667

Policy Period: From 12-20-2023 To 12-20-2024

**Premises: 001 / Building: 001**

**Premises Address:** 1200 ATHENS CT  
BEL AIR, MD 21014-2796

**Classification:** Homeowners Associations

**Construction Type:** Frame

**Occupancy Type:** Building Owner - Lessors risk

ENTRY PIER MAILBOXES AND POST

WE PROVIDE INSURANCE ONLY FOR THOSE COVERAGES INDICATED BY A LIMIT OR BY "INCLUDED".  
Property Coverage is subject to a **\$1,000 Deductible**, unless otherwise stated.

Coverages	Deductible	Limit
Building	\$1,000	\$23,200
Replacement Cost		
Business Personal Property	\$1,000	\$200

**Additional Coverages - The Coverage Form includes other Additional Coverages not shown**

Business Income		Included
Actual Loss Sustained		12 Months
Waiting Period		0 Hours
Ordinary Payroll		60 Days
Extended Period Of Indemnity		60 Days
Extra Expense		Included
Actual Loss Sustained		12 Months
Waiting Period		0 Hours
Equipment Breakdown	No Separate Deductible	Included
Building Automatic Increase Percentage		0%
Business Personal Property Automatic Increase Percentage		2.9%
Back Up Of Sewer And Drain Water		
Per Building Limit		\$5,000
Back Up Aggregate Limit		\$25,000
Appurtenant Structures - 10% of Building Limit of Insurance - Maximum \$50,000 any one structure		Included
Increased Cost of Construction		\$25,000

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**PREMIER BUSINESSOWNERS POLICY**  
**HABITATIONAL**  
**PROPERTY DECLARATIONS**

Policy Number: ACP BP013211130667

Policy Period: From 12-20-2023 To 12-20-2024

Premises: 001 / Building: 001

Coverages	Deductible	Limit
<b>Optional Coverages - Other frequently purchased coverage options</b>		
Employee Dishonesty Per Occurrence		\$50,000
Ordinance Or Law Coverage		
Loss To The Undamaged Portion Of The Building (Coverage Equal To Building Limit)		Not Provided
Demolition Cost And Broadened Increased Costs Of Construction		Not Provided
Ordinance Or Law Broadened Coverage		\$250,000
Windstorm/Hail Deductible	No Separate Deductible	

Optional Increased Limits	Included Limit	Additional Limit	Total Limit
Accounts Receivable	\$25,000		\$25,000
Valuable Papers and Records (At the Described Premises)	\$25,000		\$25,000
Forgery Or Alteration	\$10,000		\$10,000
Money And Securities			
Inside the Premises	\$10,000		\$10,000
Outside the Premises (Limited)	\$10,000		\$10,000
Outdoor Signs	\$2,500		\$2,500
Outdoor Trees, Shrubs, Plants And Lawns	\$10,000		\$10,000
Business Personal Property Off Premises			
Property Away From Premises	\$15,000		\$15,000
Property Away From Premises - Transit	\$15,000		\$15,000
Electronic Data	\$10,000		\$10,000
Interruption Of Computer Operations	\$10,000		\$10,000





**Nationwide®**

**PREMIER BUSINESSOWNERS POLICY  
HABITATIONAL  
PROPERTY DECLARATIONS**

Policy Number: ACP BP013211130667

Policy Period: From 12-20-2023 To 12-20-2024

Premises: 001 / Building: 001

Optional Increased Limits	Included Limit	Additional Limit	Total Limit
Computer Fraud And Funds Transfer	\$10,000		\$10,000

**PROTECTIVE SAFEGUARDS**

Based on information you and/or your agent provided, this premises has Protective Safeguards as identified below. A Protective Safeguards endorsement will be added to your policy based on this information, and you risk the loss of insurance if you fail to maintain, or knew or should have known of any suspension or impairment of any Protective Safeguard(s) identified below. Note that Protective Safeguard(s) must be: in place, operational, and maintained in good working order and you must notify us immediately (at Commercial Lines Service Center by calling (866) 322-3214) in the event of any known or planned disablement of any Protective Safeguard(s).

**APPLICABLE PROTECTIVE SAFEGUARDS: NOT APPLICABLE**

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**PREMIER BUSINESSOWNERS POLICY  
HABITATIONAL  
LIABILITY DECLARATIONS**

Policy Number: ACP BP013211130667

Policy Period: From 12-20-2023 To 12-20-2024

<b>Limits Of Insurance</b>		<b>Limit</b>
Each Occurrence Limit of Insurance	Per Occurrence	\$1,000,000
Medical Payments Sub Limit	Per Person	\$5,000
Tenants Property Damage Legal Liability Sublimit	Per Covered Loss	\$300,000
Personal And Advertising Injury	Per Person Or Organization	\$1,000,000
Products-Completed Operations Aggregate Limit	All Occurrences	\$2,000,000
General Aggregate (Other Than Products-Completed Operations)	All Occurrences	\$2,000,000

**Automatic Additional Insureds Status**

The following persons or organizations are automatically insureds when you and they have agreed in a written contract or agreement that such person or organization be added as an additional insured on your policy.

- Co-Owners of Insured Premises
- Controlling Interest
- Grantor of Franchise or License
- Lessors of Leased Equipment
- Managers or Lessors of Leased Premises
- Mortgagee, Assignee or Receiver
- Owners or Other Interest from Whom Land has been Leased
- State or Political Subdivisions - Permits Relating to Premises



<b>Liability Deductible</b>	<b>Deductible</b>
None	

<b>Optional Coverages</b>	<b>Deductible</b>	<b>Limit</b>
Hired Auto Liability		Included
Non-Owned Auto Liability		Included
Directors & Officers With Non-Monetary Relief	Per Wrongful Act	\$1,000,000
	Aggregate Limit	\$1,000,000
Retroactive Date	12-20-2022	



**Nationwide®**

**PREMIER BUSINESSOWNERS POLICY**

**HABITATIONAL**

Policy Number: ACP BP013211130667

Policy Period: From 12-20-2023 To 12-20-2024

**FORMS AND ENDORSEMENTS SUMMARY**

Form Number	Title
PBDS01 01 18	Premier Businessowners Declarations
PB0002 01 18	Premier Businessowners Property Coverage Form
PB0006 01 17	Premier Businessowners Liability Coverages Form
PB0009 01 17	Premier Businessowners Common Policy Conditions
PB0008 01 17	Nuclear Energy Exclusion
PB0404 01 01	Hired Auto And Non-Owned Auto Liability
PB0412 01 01	Limitation Of Coverage To Designated Premises
PB0523 07 15	Cap on Losses from Certified Acts of Terrorism
PB0564 01 20	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act)
PB1478 01 17	Exclusion of Loss Due to By-Products of Production or Processing Operations (Rental Properties)
PB1486 11 14	Communicable Disease Exclusion
PB1701 11 14	Condominium Association Coverage
PB3701 11 14	Ordinance or Law Broadened Endorsement
PB4151 01 17	Directors and Officers Liability (Cooperatives Or Condominiums) With Non-Monetary Relief
PB5422 04 06	Amendment - Employee Dishonesty Optional Coverage - Condominium, Townhouse Or Homeowners Association
PB6005 11 09	Additional Insured - Homeowners Associations
PB9019 12 22	Maryland Amendatory Endorsement
PB9083 06 21	Named Insureds Endorsement
PB9091 09 22	Disclosure Pursuant To Terrorism Risk Insurance Act
PB9101 09 23	PFC/PFAS Exclusion
PBAI05 01 17	Acknowledgement of Insured Status Your Real Estate Manager

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**Nationwide®**

# PREMIER BUSINESSOWNERS POLICY

## HABITATIONAL

Policy Number: ACP BP013211130667

Policy Period: From 12-20-2023 To 12-20-2024

### IMPORTANT NOTICES

Form Number	Title
NI0062 01 21	Notice of Terrorism Insurance Coverage
NI0018 01 17	Flood Insurance Notice
NI0109 11 22	PFC/PFAS Exclusion Disclosure
NI9009 01 17	Information for Insureds Who Have Tenants
NI0004 01 17	Important Notice for Renewal Policies
NI0026 01 17	Important Notice to Maryland Policyholders
NI0035 01 17	Data Breach & Identity Recovery Services
NI0075 01 17	Consumer Report Inquiry Notice
NI9032 12 22	Important Notice - Depreciation of Labor and Overhead and Profit



IN WITNESS WHEREOF, the Company has caused this policy to be signed by its Secretary and President.

**Secretary**

**President**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MARYLAND AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS  
PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM  
EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT  
CYBER SUITE COVERAGE  
SUPPLEMENTAL EXTENDED REPORTING ENDORSEMENT  
CONDOMINIUM ASSOCIATION COVERAGE

**A. NOTICE OF UNDERWRITING PERIOD**

Your new policy is subject to a 45 day underwriting period beginning on the effective date of your coverage and may be cancelled during the underwriting period if your risk does not meet our underwriting standards. If we decide to cancel the policy, we will send you a written Notice of Cancellation as described in paragraph B.1. below.

**B. CANCELLATION**

In the **PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS**, under condition **A. CANCELLATION**:

1. Paragraphs 2. and 3. 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 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:
    - 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, if this policy:
  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 3., 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.

2. Paragraph 5. is replaced by the following:
  5. If this policy is canceled, 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

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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

- (a) We will refund 90% of the pro rata unearned premium for the year in which the policy is cancelled.

- (b) 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.

- 3. Paragraph 6. is replaced by the following:

- 6. We will send notice of cancellation to the first Named Insured by certificate of mail 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 certificate of mail 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.

**C. CONCEALMENT, MISREPRESENTATION OR FRAUD**

In the **PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS**, under condition **C. CONCEALMENT, MISREPRESENTATION OR FRAUD** is replaced by the following:

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

- 1. This policy;
- 2. The covered property;
- 3. Your interest in the covered property; or
- 4. A claim under this policy.

**D. PREMIUM AUDIT**

In the **PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS**, under condition **J. PREMIUM AUDIT**, paragraph 3. is replaced by the following:

- 3. Audit premiums are due and payable 30 days from the date on the bill to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

**E. The following is added to the PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS:**

**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 certificate of mail 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. AMENDMENTS TO THE PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM**

- 1. In Section E. **PROPERTY LOSS CONDITIONS**, condition 4. **Legal Action Against Us** is replaced by the following:

**4. Legal Action Against Us**

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

- a. There has been full compliance with all of the terms of this policy; and
- b. The action is brought within three (3) years from the date it accrues.

- 2. Under Section H. **PROPERTY DEFINITIONS**, in Definition 2. "**Actual Cash Value**", the following is added:

For this calculation, all components of the cost of repair or replacement including, but not limited to:

- 1. materials, including tax;
- 2. labor, including any tax; and
- 3. overhead and profit;

are subject to depreciation.

The depreciation deduction may include such considerations as:

- 1. age;
- 2. condition;
- 3. reduction in useful life;
- 4. obsolescence; and
- 5. any pre-loss damage, including wear, tear, or deterioration;

of the damaged part of the property.

**G. AMENDMENTS TO ENDORSEMENTS**

- 1. If the **EMPLOYMENT PRACTICES LIABILITY INSURANCE**, form **PB 05 89**, is a part of this policy;

- a. Paragraph 2. **Cancellation of Section V. CONDITIONS** is amended to read as follows:

**2. Cancellation**

The policy shall terminate at the earliest of the following:

- a. The effective date of cancellation stated in a written notice of cancellation from us to you if the policy is cancelled for failure to pay a premium when due provided such notice is mailed to you at least ten (10) days prior to the effective date of cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the "policy period".

- b. The effective date of cancellation stated in a written notice of termination from us to you if the policy is cancelled for any reason other than nonpayment of premium, provided such notice is mailed to you at least sixty (60) days prior to the effective date of cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the "policy period".

- c. Upon receipt by us of the policy surrendered by you.

- d. Upon transmittal to us of written notice of termination from you stating when thereafter such termination shall be effective. or

- e. Upon expiration of the Policy Period as set forth in the Declarations.

- b. Subparagraph d. of Paragraph 10. **Representations**, of Section **V. CONDITIONS**, is deleted in its entirety.

- c. Paragraph 15. **When We Do Not Renew of Section V. CONDITIONS**, is amended to read as follows:

**15. When We Do Not Renew**

- a. 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.

- b. We will send notice of nonrenewal to the first Named Insured by certificate of mail or by commercial mail delivery service. We will maintain proof of mailing in a form authorized or

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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.

- c. 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 45 days from the date of our notice.
- d. 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.

H. If Cyber Suite coverage form PB 90 74 is a part of this policy, then coverage provided on that form is amended as follows:

1. **E. ADDITIONAL CONDITIONS, 2. Defense And Settlement**, paragraph d. is deleted and replaced with the following:

d. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, and such refusal to consent results in actual prejudice to us, then our liability for all "loss" or "defense costs" resulting from such "claim" or "regulatory proceeding" will not exceed the amount for which we could have settled such "claim" or "regulatory proceeding" plus "defense costs" incurred as of the date we proposed such settlement in writing to you. Once that amount has been exceeded, you shall, at your own expense, negotiate or defend such "claim" or "regulatory proceeding" independently of us.

2. **E. ADDITIONAL CONDITIONS, 7. Legal Action Against Us**, paragraph b. is deleted and replaced with the following:

b. The action is brought within three years after the date the "loss" or "identity theft" is first discovered by you, or the date on which you first receive notice of a "claim" or "regulatory proceeding".

3. If the **SUPPLEMENTAL EXTENDED REPORTING ENDORSEMENT for CYBERONE COVERAGE**, form PB 43 50, is a part of this policy, then coverage provided on that form is amended as follows:

Paragraph 1. is amended as follows:

1. You shall have a period of 3 years following the Supplemental Extended Reporting Period Effective Date (shown in the above Schedule) in which to give written notice to us of a "network security liability suit" of which you first receive notice during said 3 year period for any loss, release or disclosure of business data, propagation of malware or denial of service attack occurring on or prior to the Supplemental Extended Reporting Period Effective Date and otherwise covered by this CyberOne coverage.

4. If you are a Condominium or Townhouse Association:

- 1. Containing at least one residence, created after July 1, 1981; or
- 2. That amended your bylaws and declarations to conform with the Maryland Condominium Act enacted July 1, 1981;

the following amendments also apply to you:

A. Under the **CONDOMINIUM ASSOCIATION COVERAGE**, form PB 17 01, paragraphs C. and D. do not apply.

B. Paragraph E.1 **NONRENEWAL** of the **MARYLAND AMENDATORY ENDORSEMENT**, form PB 90 19 is replaced by the following:

**NONRENEWAL**

1. We may elect not to renew this policy by mailing or delivering notice of nonrenewal to the first Named Insured's last mailing address known to us. We will mail or deliver this notice at least 45 days before the expiration date of this policy.

C. Under the **PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS**, condition **K. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**, the following is added:

We waive our rights to recover payment against:

- 1. Any unit-owner, including the developer, and members of his or her household;
- 2. The Association; 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 damages from the developer for which he or she may be held liable in his or her capacity as a developer.

D. The following is added to Section E. **PROPERTY LOSS CONDITIONS, 5. Loss Payment** of the **PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM:**

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.

E. In the **PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM**, Section F. **PROPERTY GENERAL CONDITIONS**, paragraph b. of 2. **Mortgageholders** is replaced by the following:

b. We will:

If the condominium is terminated, pay for covered loss of, or damage to, buildings or structures to each mortgageholder shown on the Declarations in their order of precedence, as interests may appear.

In all other respects, pay for loss to buildings or structures to you or the designated insurance trustee in accordance with Section E. **PROPERTY LOSS CONDITIONS**, condition 5. **Loss Payment.**

F. Under the **CONDOMINIUM ASSOCIATION COVERAGE**, form **PB 17 01**, paragraph C. is replaced by the following:

C. Under the **PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM**, the following amendments are made:

1. 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. Under Section I. **COVERAGES, A. COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. EXCLUSIONS**, paragraph p. **Bodily Injury To Any Insured** is removed.

G. In the **PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM**, under Section II. **WHO IS AN INSURED**, the following is added:

7. The developer in the developer's capacity as a unit-owner, but only with respect to the developer's liability arising out of:

a. The ownership, maintenance or repair of that portion of the premises which is not owned solely by the developer; or

b. The developer's membership in the association.

However, the insurance afforded with respect to the developer does not apply to liability for acts or omissions as a developer.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NAMED INSUREDS ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM**

The insurance afforded under this Property Coverage Form applies to all persons or organizations listed in the SCHEDULE OF NAMED INSUREDS, subject to the following provisions:

1. The first Named Insured is authorized to act on behalf of each Named Insured in all matters pertaining to this insurance.
2. The first Named Insured declares that all firms named in the policy as Named Insureds are owned or financially controlled by the same interests.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

**DISCLOSURE PURSUANT TO TERRORISM RISK  
INSURANCE ACT**

**SCHEDULE**

<b>SCHEDULE – PART I</b>	
<b>Terrorism Premium (Certified Acts)</b>	<b>\$ 0</b>
<b>Additional information, if any, concerning the terrorism premium:</b>	
<b>SCHEDULE – PART II</b>	
<b>Federal share of terrorism losses</b>	<b>80 %</b>
<b>(Refer to Paragraph B. in this endorsement.)</b>	
<b>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</b>	

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**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.

**All terms and conditions of this policy apply unless modified by this endorsement.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PFC/PFAS EXCLUSION**

This endorsement modifies insurance provided under the following:

**PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM**

**A. The following exclusion is added to Paragraph 2. EXCLUSIONS of Section I. – COVERAGES, A. COVERAGE A.– BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

**2. EXCLUSIONS**

This insurance does not apply to:  
**"PFC/PFAS"**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of, any "PFC/PFAS"; or
- b. Any loss, cost or expense arising out of, in whole or in part, 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, "PFC/PFAS", by any insured or by any other person or entity.

This exclusion applies regardless of whether any other cause, event, material, substance, good or product contributed concurrently or in any sequence to such injury or damage. This exclusion also applies regardless of whether any "PFC/PFAS" is contained, used, included, involved or incorporated intentionally, accidentally or unknowingly in or on a good or product, component part of a good or product, or otherwise by any insured or by any other person or entity. This exclusion applies regardless of whether the inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of any "PFC/PFAS" occurs within or outside any building or other structure.

**B. The following exclusion is added to Paragraph 2. EXCLUSIONS of Section I. – COVERAGES, B. COVERAGE B.– PERSONAL AND ADVERTISING INJURY LIABILITY:**

**2. EXCLUSIONS**

This insurance does not apply to:  
**"PFC/PFAS"**

- a. "Personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged, threatened, suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of, any "PFC/PFAS"; or
- b. Any loss, cost or expense arising out of, in whole or in part, 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, "PFC/PFAS", by any insured or by any other person or entity.

This exclusion applies regardless of whether any other cause, event, material, substance, good or product contributed concurrently or in any sequence to such injury or damage. This exclusion also applies regardless of whether any "PFC/PFAS" is contained, used, included, involved or incorporated intentionally, accidentally or unknowingly in or on a good or product, component part of a good or product, or otherwise by any insured or by any other person or entity. This exclusion applies regardless of whether the inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of any "PFC/PFAS" occurs within or outside any building or other structure.

**C. The following definition is added to Section V. DEFINITIONS:**

**"PFC/PFAS" means:**

- a. Any fluorosurfactant, perfluorinated chemical or compound, or perfluoroalkyl or polyfluoroalkyl substance, including but not limited to any per- or polyfluorinated acid (including, without limitation, perfluorooctanoic acid (PFOA), perfluorooctanesulfonic acid (PFOS), and per- and polyfluorether carboxylic acids), per- or polyfluorinated sulfonamide, per- or polyfluorinated iodide, per- or polyfluorinated aldehyde, per- or polyfluorinated sulfonyl fluoride, per- or polyfluorinated fluorotelomer substance or per- or polyfluorinated sulfonamido substance; or
- b. any perfluoroalkane or polyfluoroalkane

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**BUSINESSOWNERS**  
**PB 91 01 09 23**

- substance, including but not limited to carbon tetrafluoride, perfluorooctane, and perfluoro-2-methylpentane; or
- c. any fluorinated polymers, including but not limited to fluoropolymers, perfluoropolyethers and side-chain-fluorinated polymers; or

any of the associated homologues, isomers, salts, esters, alcohols, acids, precursor chemicals and derivatives, and related degradation or by-products of any such constituent.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not exclude coverage for PFC/PFAS-related injury, damage, loss, cost or expense.

**ALL OTHER CONDITIONS AND PROVISIONS OF THE POLICY REMAIN UNCHANGED BY THIS ENDORSEMENT**



# **ACKNOWLEDGEMENT OF INSURED STATUS - YOUR REAL ESTATE MANAGER**

**Person or Organization Designated as an Insured:**

**HPS MANAGEMENT  
424 N UNION AVE  
HAVRE DE GRACE, MD 21078**

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This form has been sent to you to acknowledge your status as an insured under our, meaning the issuing Company stated below, insurance policy issued to the Named Insured shown below.

Under our Premier Businessowners Liability Coverage Form, Section II. WHO IS AN INSURED provides:

The following is also an insured:

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

The policy language set forth above is subject to all of the terms and conditions of the policy issued to the Named Insured shown below. For your information, our Named Insured, the Policy Number, Policy Term and Limits of Insurance are stated below.

**Named Insured: MANORS AT AMYCLAE TOWNHOUSE ASSOCIATION INC**



**Issuing Company: NATIONWIDE GENERAL INSURANCE COMPANY**

**Policy Number: ACP BP013211130667**

**Policy Term: 12-20-2023 To 12-20-2024**

**Limits of Insurance:** Per Occurrence \$1,000,000  
All Occurrences \$2,000,000

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ONE WEST NATIONWIDE BLVD  
COLUMBUS, OH 43215-2220  
1-877 On Your Side  
1 (877) 669-6877

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COMMERCIAL PORTFOLIO ACP 3201130667

**ACCOUNT NUMBER**

ACP 3201130667

**BILLING ACCOUNT NUMBER**

308150366

MANORS AT AMYCLAE TOWNHOUSE ASSOCIATION INC  
424 N UNION AVE  
HAVRE DE GRACE, MD 21078-2827

**PLEASE KEEP THIS FOR YOUR RECORDS**

We are pleased to serve your business insurance needs. Our company is committed to providing you high quality insurance protection and superior service.

If you should have any questions about your insurance portfolio or if you wish to make a change to your policy, please contact your agent.

**IMPORTANT INFORMATION ABOUT YOUR POLICY**

Please spend a few minutes to read and understand your policy. Some items to which you should pay special attention are as follows:

- **Special Required State Notices.** These notices, when included, point out specific items concerning your policy. We urge you to read them.
- **Declarations Page.** This shows such information as your name, address, the coverages provided, the policy term, policy limits, list of coverages forms, premium amounts, and other individualized information.
- **Coverage and Endorsement Forms.** This is the section of your policy which provides policy and coverage information. Please read it carefully.

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**Your Commercial Insurance Portfolio**

Courtesy of:

Agency: SIMMERER INSURANCE LLC  
 Agency Number: 67953  
 Region Code: 042  
 Producer: PHILIP SIMMERER  
 Producer Number: 010  
 Agency Address: 601 7TH ST  
 STE 103  
 LAUREL, MD 20707-4011  
 Agency Phone Number: (301) 386-0900

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Nationwide Mutual Insurance Company and Affiliated Companies, One Nationwide Plaza, Columbus, Ohio 43215-2220  
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NATIONWIDE  
 ONE WEST NATIONWIDE BLVD  
 COLUMBUS, OH 43215-2220  
 1-877 On Your Side  
 1 (877) 669-6877

**COMMERCIAL PACKAGE SUMMARY**

PRINTED 10-16-2024

Account Number: ACP 3201130667  
 Named Insured: MANORS AT AMYCLAE  
 TOWNHOUSE ASSOCIATION INC  
 Mailing Address: 424 N UNION AVE  
 HAVRE DE GRACE, MD 21078-2827  
 Agency: SIMMERER INSURANCE LLC  
 Agency Number: 67953  
 Producer: PHILIP SIMMERER  
 Producer Number: 010  
 Region Code: 042  
 Agency Address: 601 7TH ST  
 STE 103  
 LAUREL, MD 20707-4011  
 Agency Phone Number: (301) 386-0900



**Premiums/Fees**

**Total Account Premium \$2,396.00**

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Line of Business	Premium
Businessowners	\$1,946.00
Commercial Umbrella	\$450.00

**Not a bill. Your bill is sent separately.**

This Commercial Package is a portfolio of individual policies which serves to combine various insurance coverages written under a group of separate contracts of insurance.

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# BUSINESSOWNERS



# IMPORTANT NOTICE

## NOTICE OF TERRORISM INSURANCE COVERAGE

### NOTICE - DISCLOSURE OF PREMIUM

**Applies to all Commercial Policies, except for Farmowners Multiperil, Business Auto and Crime**

**(This disclosure notice does not provide coverage, and it does not replace any provisions of your policy. You should read your policy for complete information on the coverages you are provided. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.)**

Coverage for acts of terrorism is included in your policy. You are hereby notified that the Terrorism Risk Insurance Act, as amended in 2019, defines an act of terrorism in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Other than for Workers Compensation, the portion of your annual premium that is attributable to coverage for acts of terrorism is \$0 and does not include any charges for that portion of losses covered by the United States Government under the Act.

For Workers Compensation, the portion of your annual premium that is attributable to coverage for acts of terrorism is shown on your declarations page and does not include any charges for the portion of losses covered by the United States government under the Act.

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

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**Nationwide®**

## IMPORTANT NOTICE

### Flood Insurance Notice

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What you need to know

Your policy does not cover damage from floods to any property resulting directly or indirectly from "water".

Excluded "water" losses include, but are not limited to those caused by:

- Flood
- Surface water
- Waves
- Tides
- Tidal waves
- Overflow of any body of water, or their spray, all whether driven by wind or not.

These types of loss or damage caused by "water" are excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. You'll need to read your policy for all of the details about excluded water losses. This is just a summary of the excluded water losses to highlight some important flood-related issues.

### Additional information

In most communities you can obtain flood insurance policies backed by the federal government's National Flood Insurance Program, through your agent. In those qualifying communities, you can obtain flood insurance protection for your property regardless of your flood zone or flood risk.

Your agent can assist you in:

- Determining if your community participates in the National Flood Insurance Program
- Assessing your flood risk
- Understanding flood policy availability

To learn more about flood insurance and your risk of flooding, access the National Flood Insurance Program's consumer website at [www.FloodSmart.gov](http://www.FloodSmart.gov).

As you consider the risk of flooding in your area and consider your options for obtaining valuable protection, consider that:

- All property is in a flood zone, regardless of whether an area has been defined as high risk or low risk.
- Nearly 25% of all flood claims are for properties located in lower-risk flood areas or locations where flooding is not expected.
- Floods can happen anywhere, at any time, causing anguish, destruction, and financial damage.
- Changing weather patterns, as well as residential and business development, may increase your chance of experiencing a flood.
- Flooding can occur as a result of clogged, overloaded, or inadequate storm drains. You don't have to live near a body of water to be flooded.
- Federal disaster assistance is often a loan and must be repaid with interest.

Ask your agent about obtaining flood insurance for your property today.

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**Nationwide®**

## IMPORTANT NOTICE

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What you need to do

Please read this notice carefully. 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 any conflict between the policy and this notice, the provisions of the policy shall prevail.

### You can always count on us to be there

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

### Important Notice Description(s)

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#### PFC/PFAS Exclusion Disclosure

The purpose of this notice is to inform you that a PFC/PFAS Exclusion endorsement is included in this policy, which may not have been in your previous policy whether such policy was with us or another insurance company. These endorsements exclude bodily injury, property damage, and/or personal and advertising injury arising out of the actual or alleged contact, consumption or use of any PFC/PFAS. This exclusion is a clarification of coverage under the policy.



Please refer to the Schedule of Endorsements in your Policy Declarations pages for the applicable endorsement form.

We acknowledge that the terms, conditions and coverages in this policy have been negotiated in good faith with you. You have agreed to accept such terms, conditions and coverages. Your payment of the policy premium will constitute your acceptance of our policy including the PFC/PFAS Exclusion. Please read this exclusion carefully so that you will be familiar with its provisions.

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**Nationwide®**

## IMPORTANT NOTICE

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What you need to do

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### Important Notice Description(s)

#### **Communicable Disease Classified As An Epidemic, Pandemic, Or Public Health Emergency Exclusion Disclosure**

The purpose of this notice is to inform you that a Communicable Disease Classified As An Epidemic, Pandemic, Or Public Health Emergency Exclusion endorsement is included in this policy, which may not have been in your previous policy whether such policy was with us or another insurance company. These endorsements exclude bodily injury, property damage, and/or personal and advertising injury arising out of the actual or alleged transmission of a communicable disease declared or characterized as an epidemic, pandemic, or public health emergency by the World Health Organization, the United States Center for Disease Control, or a federal, state or local public health agency. This exclusion is a clarification of coverage under the policy.

Please refer to the Schedule of Endorsements in your Policy Declarations pages for the applicable endorsement form.

We acknowledge that the terms, conditions and coverages in this policy have been negotiated in good faith with you. You have agreed to accept such terms, conditions and coverages. Your payment of the policy premium will constitute your acceptance of our policy including the Communicable Disease Classified As An Epidemic, Pandemic, Or Public Health Emergency Exclusion. Please read this exclusion carefully so that you will be familiar with its provisions.

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**Nationwide®**

## IMPORTANT NOTICE

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What you need to do

Please read this notice carefully. 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 any conflict between the policy and this notice, the provisions of the policy shall prevail.

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### Important Notice Description(s)

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#### Violation Of Law Addressing Data Privacy Exclusion Disclosure

The purpose of this notice is to inform you that an exclusion for the Violation Of Law Addressing Data Privacy was added to your policy. This purpose of the exclusion is to reinforce coverage intent that damages related to violations of laws pertaining to data privacy are not intended to be covered.

Please refer to the Schedule of Endorsements in your Policy Declarations pages for the applicable endorsement form.

We acknowledge that the terms, conditions and coverages in this policy have been negotiated in good faith with you. You have agreed to accept such terms, conditions and coverages. Your payment of the policy premium will constitute your acceptance of our policy including the Violation Of Law Addressing Data Privacy Exclusion. Please read this exclusion carefully so that you will be familiar with its provisions.

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**Nationwide®**

## IMPORTANT NOTICE

### Information for Insureds Who Have Tenants

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What's "subrogation"

Subrogation is the ability to recover damages from a responsible party. The subrogation clause in your insurance contract permits us to pursue recovery against those parties responsible for losses under your policy. Subrogation plays an important role in the claims settlement process when a loss occurs.

### What you need to know

The "Anti-Subrogation Rule/Implied Co-Insured Doctrine" may limit subrogation on your policy by preventing landlords and their insurance companies from recovering damages caused by tenants. These damages may include:

- The property deductible you pay
- Uninsured or partially covered losses
- Losses that occur as a result of tenants' negligence

If this doctrine is applied where your buildings are located, you may be unable to seek repayment from your tenants if they negligently cause a fire in your building. To prevent this from occurring, additional provisions may be needed in your lease agreements to clarify who is responsible for damages when property damage or injury is caused by a tenant's negligence.

### What you need to do

This information is not intended to be legal advice and is provided for informational purposes only. We recommend that you contact an attorney for more guidance on the "Anti-Subrogation Rule/Implied Co-Insured Doctrine" and how it affects the lease agreement between you and your tenants.

Please read this notice carefully. 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 any conflict between the policy and this notice, the provisions of the policy shall prevail.

### You can always count on us to be there

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

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## IMPORTANT NOTICE

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### Important Notice Description(s)

#### **Businessowners Notice to Policyholders - CANNABIS EXCLUSIONS**

You are receiving this important notice because a Cannabis Exclusion or Cannabis Exclusion with Hemp Exception endorsement has been added to your policy in order to expressly reaffirm Nationwide's position that activities, losses, or claims involving or resulting from the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of or damage to cannabis, to the extent cannabis is designed, cultivated, manufactured, distributed, sold, served or furnished for bodily ingestion, inhalation, absorption or consumption, are not, nor have they ever been, covered by your policy.

#### **PB 15 30 Cannabis Property Exclusion**

When this endorsement is attached to your policy, it generally excludes direct physical loss of or damage to cannabis. It also excludes Business Income and Extra Expense coverage by indicating that such coverage does not apply to that part of Business Income loss or Extra Expense, due to a suspension of your operations, which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis. To the extent that an exposure exists with respect to:

- Direct physical loss of or damage to cannabis, the attachment of this endorsement represents a reinforcement of coverage intent.
- The cannabis-related activity addressed above, the attachment of this endorsement may be considered a reduction in coverage with respect to that part of Business Income loss or Extra Expense, due to a suspension of your operations, which is attributable to such activity.

#### **PB 15 31 Cannabis Property Exclusion With Hemp Exception**

When this endorsement is attached to your policy, it generally excludes direct physical loss of or damage to cannabis. It also excludes Business Income and Extra Expense coverage by indicating that such coverage does not apply to that part of Business Income loss or Extra Expense, due to a suspension of your operations, which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis. This endorsement also contains exceptions to the exclusions generally addressing goods or products containing or derived from hemp. To the extent that an exposure exists with respect to:

- Direct physical loss of or damage to cannabis, the attachment of this endorsement represents a reinforcement of coverage intent.

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- The cannabis-related activity addressed in this endorsement, the attachment of this endorsement may be considered a reduction in coverage with respect to that part of Business Income loss or Extra Expense, due to a suspension of your operations, which is attributable to such activity.

However, due to related exceptions in the endorsement, the attachment of this endorsement will not result in a reduction of coverage for:

- Direct physical loss of or damage to goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper, unless, and to the extent, any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state where such goods or products are located.
- Business Income loss or Extra Expense which is attributable to goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper, unless, and to the extent, any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state where such goods or products are located.

#### **PB 15 32 Cannabis Liability Exclusion**

When this endorsement is attached to your policy, it generally excludes bodily injury, property damage and personal and advertising injury-related exposures associated with cannabis. To the extent that an exposure exists with respect to the cannabis-related activity or events addressed in this endorsement, attachment of this endorsement will result in a reduction in coverage. However, due to related exceptions in the endorsement, the attachment of this endorsement will not result in a reduction of coverage for:

- Bodily injury or property damage arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with cannabis by an insured or any other person for whom you are legally responsible, but only if the bodily injury or property damage does not arise out of your selling, serving or furnishing of cannabis to any such person; and
- Personal and advertising injury arising of the offenses addressing, in part, (i) false arrest, detention or imprisonment and (ii) wrongful eviction.

#### **PB 15 33 Cannabis Liability Exclusion With Hemp Exception**

When this endorsement is attached to your policy, it generally excludes bodily injury, property damage and personal and advertising injury-related exposures associated with cannabis while also containing an exception generally addressing injury or damage arising out of goods or products containing or derived from hemp or damage to such goods or products. To the extent that an exposure exists with respect to the cannabis-related activity or events addressed in this endorsement, attachment of this endorsement will result in a reduction in coverage. However, due to related exceptions in the endorsement, the attachment of this endorsement will not result in a reduction of coverage for:

- Bodily injury or property damage arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with cannabis by an insured or any other person for whom you are legally responsible, but only if the bodily injury or property damage does not arise out of your selling, serving or furnishing of cannabis to any such person;
- Personal and advertising injury arising out of the offenses addressing, in part, (i) false arrest, detention or imprisonment and (ii) wrongful eviction; and
- Bodily injury, property damage or personal advertising injury arising out of goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper, and property damage to any such goods or products, unless, and to the extent, any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state wherein the (i) bodily injury or property damage occurs, (ii) occurrence which caused the bodily injury or property damage takes place, or (iii) the offense which caused the personal and advertising injury was committed.

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## IMPORTANT NOTICE

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### What you need to do

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### You can always count on us to be there

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

### Important Notice Description(s)

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#### Important Notice for Renewal Policies

In an effort to keep your insurance premium as low as possible, we have streamlined your renewal policy. We have not included printed copies of policy forms and endorsements that have not changed from your expiring policy unless they include variable information that is unique to you.

Please refer to your prior policies for printed copies of these forms. If you desire copies, they are available upon request from your agent.

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#### Important Notice to Maryland Policyholders

Your claims history is a consideration in the continued eligibility and pricing of your commercial insurance and could be the basis for our decision to cancel or non-renew. We offer resources to help you maintain the safest workplace possible for your employees and customers. If you would like to learn more about our Loss Control services and resources, please contact your agent.

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#### Data Breach & Identity Recovery Services

Through a partnership with Hartford Steam Boiler, you have access to a data breach risk management portal called the eRisk Hub. The portal is designed to help you understand data information exposures, help you plan and be prepared for a data breach, and establish a response plan to manage the costs and minimize the effects of a data breach.

Key features of the portal include:

- **Incident Response Plan Roadmap** – Suggested steps your business can take following data breach incident; having an incident response plan prepared in advance of a breach can be useful for defense of potential litigation
- **Online Training Modules** – Ready-to-use training for your business on privacy best practices and Red Flag Rules
- **Risk Management Tools** – Assist your business in managing data breach exposures including self-assessments and state breach notification laws
- **eRisk Resources** – A directory to quickly find external resources on pre and post-breach disciplines
- **News Center** – Cyber risk stories, security and compliance blogs, security news, risk management events, and helpful industry links

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- **Learning Center** – Best practices and white papers written by leading authorities

To access the eRisk Hub portal:

- Enter <https://www.eriskhub.com/nationwide.php> in your browser
- Complete the information, including your name and company; your User ID and Password are case-sensitive
- Enter your assigned access code: **12116-73**
- Enter the challenge word on the screen, and click "Submit" and follow the instructions to complete your profile setup
- You can now login to the portal

You also have access to a help-line to answer breach related questions. Insureds having questions pertaining to how to prepare for a breach, help in identifying a breach, or other questions pertaining to breach related best practices can call our breach preparedness help-line. Experienced professionals are able to provide insights to help insureds understand the complicated environment pertaining to breaches of personal information. The breach preparedness help-line is 877-800-5028.

In addition, you have the ability to purchase Data Compromise Insurance coverage and CyberOne Insurance coverage.

The Data Compromise coverage covers the costs incurred by an insured to respond to a data breach, including expenses related to forensic information technology review, legal review, notification to affected individuals, services to affected individuals, public relations services. Insureds will also have the ability to include Data Compromise Defense and Liability coverage which covers the liability from a suit brought by an individual affected by the data breach.

CyberOne coverage protects businesses against damage to electronic data and computer systems from a virus or other computer attack. It also protects a business's liability to third parties that may have suffered damage due to security weaknesses in the business's computer system.

#### **Identity Recovery Services Information:**

Through a partnership Hartford Steam Boiler, you will have access to a Toll-Free Identity Recovery Help Line designed to provide education about identity theft and identity theft risks. The toll-free Help Line is staffed by experienced identity theft counsellors who can answer questions and provide useful information and resources to identity theft victims. The Identity Recovery Help Line number is 877-800-5028.



In addition, you have the ability to buy Identity Recovery insurance coverage as an included element of Data Compromise coverage or separately, on its own. The Identity Recovery coverage insures against the theft of identities of the insured's key owners, officers, and resident family members. The coverage provides the services of an identity theft case manager and pays for various out-of-pocket expenses due to a covered identity theft, including:

- Legal fees for answer of civil judgments and defense of criminal charges
- Phone, postage, shipping fees
- Notary and filing fees
- Credit bureau reports
- Lost Wages and Child or Elder Care
- Mental Health Counseling costs (Not Available in NY)
- Miscellaneous Expense coverage

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### **CONSUMER REPORT INQUIRY NOTICE**

Consumer reports, including credit history may have been ordered from a consumer reporting agency to underwrite and/or rate your insurance policy. You have the right to access this information and request correction of any inaccuracies. Your consumer reports, including your credit history are not affected in any way by our inquiry.

We are committed to respecting your privacy and safeguarding your personal information.

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**Nationwide®**

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### Important Notice Description(s)

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#### COVERAGE CHANGES

Several language updates have been made to your policy. The following sections detail changes that are being made to the Premier Businessowners Property Coverage Form, Liability Coverage Form, and Common Policy Conditions of your policy, as well as Premier Businessowners Optional Coverage forms, State Specific Endorsement forms and Property Deductibles that may be written with your policy. These updates are being made to adopt common industry terms and conditions.

---

#### Premier Businessowners Property Coverage Form, PB0002 0624:

##### Expansion in Coverage

Updated Covered Property to include antennas and their lead-in wiring, masts or towers attached to the building if not covered by other insurance [A.1.a.(6)(c)].

Business Personal Property Temporarily in Portable Storage Units has been added to Coverage Extensions within 1000 feet of described premises and a \$10,000 limit with the option to increase [A.6.n.]

##### Broadenings in Coverage

Debris removal, property not covered in which the grounds was emphasized to include, outside of buildings [A.5.a.(3) (a)].

Employee Dishonesty Optional Coverage was revised to provide that recoveries are applied to first named insured to recover their covered loss in excess of the amount paid under the policy and then to the insurer in satisfaction of amounts paid in settlement of the claim [G.1.k.].

Specified Cause of Loss definition for water damage was revised to include reference to the section of pipe that is connected to the water supply or sewer system. The language was also revised to replace reference to municipal systems with reference to potable water supply systems and sanitary sewer systems 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 [H.23.c.(2)].

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### **Coverage Clarifications**

Added Stock as covered business personal property to reinforce coverage intent [A.1.b.(6)].

Personal Property Off-Premises Coverage Extension was revised to include an option for a higher limit which will be displayed via an entry on the Declarations [A.6.(c)].

Deductibles provision was updated to reinforce the original intent of a per occurrence, per location deductible application [D.1.]

Appraisal Property Loss Condition was updated to require mutual consent and selection of appraiser and/or umpire within a certain number of days. The scope of appraisal is also limited to the amount of loss [E.2.]

### **Reductions in Coverage**

Newly Acquired or Constructed Property Coverage Extension, "Business Personal Property that you newly acquire, located at the described premises," was deleted. This can be covered as part of Business Personal Property Limit of Insurance by updating the limit as needed [A.6.a.(2)].

Electronic Data Coverage Extension was revised to exclude ransomware [A.6.(l)(1)(b)]. Interruption of Computer Operations Extension was revised to exclude ransomware [A.6.(m)(1)(b)].

Money and Securities Additional Coverage includes a definition of "premises" [5.p.(7)].

Employee Dishonesty Optional Coverages includes a revised definition of employee [G.1.j.].

Duties In The Event Of Loss Or Damage was revised to require that loss or damage from hail must be reported within 12 months of the loss event [E.3.(2)].

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## **Premier Businessowners Liability Coverage Form, PB0006 0624: Broadenings In Coverage**

### **Definitions of "Auto" and "Mobile Equipment"**

Section V. DEFINITIONS, references to "or motor vehicle registration" is revised to better align with the ISO Businessowners program and with the ISO CGL and Commercial Auto programs. Refer to the Aircraft, Auto Or Watercraft Exclusions in the Clarifications or No Impact In Coverage section below for additional details regarding this revision. This revision, when viewed in conjunction with the Auto, Aircraft Or Watercraft exclusion, may broaden coverage with respect to bodily injury or property damage arising out of the ownership, maintenance or use of vehicles such as snowmobiles and ATV's that are not designed for travel on public roads and are not subject to motor vehicle insurance laws.

### **Reductions in Coverage**

#### **Definition of "Insured Contract"**

Section V. DEFINITIONS, paragraph 10.f., is revised to provide that such part of a contract or agreement shall only be considered an "insured contract" to the extent the named insured's assumption of the tort liability is permitted by law. The impact is that an insured will not be provided coverage for the tort liability such insured assumes of another party to the extent that the assumption of such liability is prohibited in a particular jurisdiction.

#### **Automatic Additional Insureds**

Section II, paragraph 5. Automatic Additional Insureds, 5.e. Managers or Lessors of Leased Premises and 5.g. Owners or Other Interest from Whom Land has been Leased is revised to delete "arising out of" language and adding specific language to provide an additional insured with coverage for their vicarious or contributory negligence only. ISO has monitored various court decisions and found that in many disputes between insurers and insureds, courts construed broadly the phrase "arising out of" in the absence of specific language limiting coverage. As a result of this revision, the additional insured will only have coverage for the bodily injury, property damage or personal and advertising injury that is caused, in whole or in part, by either the named insured or those acting on behalf of the named insured. The revised language is designed to prevent any alleged coverage for the additional insured's sole negligence.

### **Clarifications or No Impact In Coverage**

#### **Coverage A. and Coverage B., Insuring Agreement**

In paragraph 1.a., the word 'sole' is deleted.



**Liquor Liability Exclusion**

In section I. COVERAGES, A.2.Exclusions, c. Liquor Liability, the language pertaining to such claims of negligence or other wrongdoing is revised by adding 'against any insured' and replacing 'an' with 'that' for consistency with similar language used in ISO's Commercial General Liability program. 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.

**Aircraft, Auto, or Watercraft Exclusion**

Section I. COVERAGES, A.2.Exclusions, g. Aircraft, Auto, or Watercraft, the language pertaining to such claims of negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others is revised by adding 'against any insured' for consistency with similar language used in ISO's Commercial General Liability program. Removing the reference to 'or motor vehicle registration' complements the changes made to the definitions of auto and mobile equipment.

**Professional Services Exclusion**

Section I. COVERAGES, A.2.Exclusions, v. Professional Services, the language pertaining to such claims of negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others is revised by adding 'against any insured' and replacing 'an' with 'that' for consistency with similar language used in ISO's Commercial General Liability program.

**Definition of "Insured Contract"**

Section V. DEFINITIONS, paragraph 10.f., is revised by removing subparagraph f.(3) given the presence of the Professional Services exclusion in PB0006.

**Access or Disclosure of Confidential or Personal Material Exclusion**

Coverage A, EXCLUSIONS, paragraph aa. - The provisions addressing the Electronic Data exclusion, including the limited exception for bodily injury and electronic data definition are deleted as unnecessary since these provisions are similar to the Electronic Data exclusion y. under COVERAGE A in PB0006.

The word "material" is added after "Confidential or Personal" for greater consistency with the Recording And Distribution Of Material Or Information In Violation Of Law exclusion x.

The term "biometric information" is added to the types of material or information addressed in the exclusion.

The types of expenses addressed in the exclusion are revised to expressly extend to identity monitoring expenses, data restoration expenses, and extortion expenses.

COVERAGE B., EXCLUSIONS, paragraph y. - The word "material" is added after "Confidential or Personal" for greater consistency with the Recording And Distribution Of Material Or Information In Violation Of Law exclusion p.

The term "biometric information" is added to the types of material or information addressed in the exclusion.

The types of expenses addressed in the exclusion are revised to expressly extend to identity monitoring expenses, data restoration expenses, and extortion expenses.

**Premier Businessowners Nuclear Energy Liability Exclusion, PB0008 0624:**

**Coverage Clarifications**

The word "and" is replaced with "or" in the definition of "Waste" in paragraph B.5.b. to align better with the definition of "waste" in other ISO lines of business.

**Reductions in Coverage**

The word "and" is replaced with "or" in the definition of "Waste" in paragraph B.5.b. to align better with the definition of "waste" in other ISO lines of business.

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**Premier Businessowners Common Policy Conditions, PB0009 0624:**

**Coverage Clarifications**

BOP and GL coverage forms are designed to function in a similar manner as respects to whether they are primary or excess insurance, revisions were made to align with the General Liability Coverage Form CG0001, namely adding a Primary Insurance and Excess Insurance paragraph to Section H. 2.

**Premier Businessowners Optional Coverage Forms:**

**Broadenings in Coverage**

**PB1079 0624 Flood Coverage** - definition of mudslides and mudflows was added [A.3].  
Debris Removal added emphasis to grounds by including "outside of buildings" [C.1.a.]

**PB 3701 0624 Ordinance or Law Broadened Endorsement** - Application of Coverage(s) were revised to include new post-loss ordinance or law options [B.1.a.-e.].

**Coverage Clarifications Or No Impact In Coverage**

**PB0419 0624 Amendment - Liquor Liability Exclusion - Exception for Scheduled Premises or Events** Editorial revisions were made to Coverage A, 2. Exclusions, paragraph c. Liquor Liability to correspond with revisions to the Liquor Liability Exclusion in PB0006 by adding the language 'against any insured'.

**PB0447 0624 Additional Insured - Vendors**

Editorial revisions were made to paragraph A. inserting 'liability for' bodily injury or property damage, and to paragraph C. 2. to remove the phrase 'shown in the Declarations'.

**PB0498 0624 Employee Benefits Liability Coverage**

Section H., DEFINITIONS, paragraph number 18. "Suits" has been corrected to 19. to align with PB0006 Premier Businessowners Liability Coverage Form, Section V. DEFINITIONS.

**PB0589 0624, PB4300 0624, PB 4301 0624, PB6902 0624** Employment Practices Liability Insurance - Exclusion was added to reinforce coverage intent that this coverage does not apply to biometric data.

**PB0801 0624 Barbers and Beauticians Professional Liability**

The language pertaining to claims of negligence or other wrongdoing under the Professional Services Exclusion (similar to PB0006 above) under 2. EXCLUSIONS is revised by adding 'against any insured' and replacing 'an' with 'that' for consistency with similar language used in ISO's Commercial General Liability program.

**PB0802 0624 Funeral Home EXTRA Endorsement**

The language pertaining to claims of negligence or other wrongdoing under the Professional Services Exclusion (similar to PB0006 above) under 2. EXCLUSIONS is revised by adding 'against any insured' and replacing 'an' with 'that' for consistency with similar language used in ISO's Commercial General Liability program.

**PB0803 0624 Optical and Hearing Aid Establishments Professional Liability**

The language pertaining to claims of negligence or other wrongdoing under the Professional Services Exclusion (similar to PB0006 above) under 2. EXCLUSIONS is revised by adding 'against any insured' and replacing 'an' with 'that' for consistency with similar language used in ISO's Commercial General Liability program.

**PB0805 0624 Veterinarians EXTRA Endorsement**

The language pertaining to claims of negligence or other wrongdoing under the Professional Services Exclusion (similar to PB0006 above) under 2. EXCLUSIONS is revised by adding 'against any insured' and replacing 'an' with 'that' for consistency with similar language used in ISO's Commercial General Liability program. The word "sole" in paragraph B.2.a. has also been deleted to align with revisions in PB0006 Businessowners Liability Coverage Form. Under A.4., the three 'Coverage Extensions' reference letters have changed to align with updates to PB0002.



**PB4101 0624 Extended Reporting Period** - One Year Directors And Officers Liability (Cooperatives or Condominiums) - The Supplemental Extended Reporting Period provision applies to the coverage provided under Directors And Officers Liability (Cooperatives or Condominiums), form PB4151, which has been added, our Directors and Officers Liability form which includes non-monetary relief, has been added.

**PB4102 0624 Extended Reporting Period** - Two Years Directors And Officers Liability (Cooperatives or Condominiums) - The Supplemental Extended Reporting Period provision applies to the coverage provided under Directors And Officers Liability (Cooperatives or Condominiums), form PB4151, which has been added, our Directors and Officers Liability form which includes non-monetary relief, has been added.

**PB4103 0624 Extended Reporting Period** - Three Years Directors And Officers Liability (Cooperatives or Condominiums) - The Supplemental Extended Reporting Period provision applies to the coverage provided under Directors And Officers Liability (Cooperatives or Condominiums), form PB4151, which has been added, our Directors and Officers Liability form which includes non-monetary relief, has been added.

**PB4104 0624 Extended Reporting Period (Maryland Only)** - Unlimited Directors and Officers Liability (Cooperatives or Condominiums) The Supplemental Extended Reporting Period provision applies to the coverage provided under Directors And Officers Liability (Cooperatives or Condominiums), form PB4151, which has been added, our Directors and Officers Liability form which includes non-monetary relief, has been added.

**PB4128 0624 Extended Reporting Period (New Hampshire Only)** One Year Directors And Officers Liability (Cooperatives or Condominiums) - The Supplemental Extended Reporting Period provision applies to the coverage provided under Directors And Officers Liability (Cooperatives or Condominiums), form PB4151, which has been added, our Directors and Officers Liability form which includes non-monetary relief, has been added.

**PB4202 0624 Optometrists Professional Liability**

Language is revised pertaining to claims of negligence or other wrongdoing under the Professional Services Exclusion (similar to PB0006) under 2. EXCLUSIONS by adding 'against any insured' and replacing 'an' with 'that' for consistency with similar language used in ISO's Commercial General Liability program. The word "sole" in paragraph B.a. was deleted to align with revisions in PB0006 Businessowners Liability Coverage Form.

**PB4203 0624 Pedorthists Professional Liability**

Language has been revised pertaining to claims of negligence or other wrongdoing under the Professional Services Exclusion (similar to PB0006) under 2. EXCLUSIONS by adding 'against any insured' and replacing 'an' with 'that' for consistency with similar language used in ISO's Commercial General Liability program.

**PB6072 0624 Amendment to Other Insurance Clause for Additional Insureds-Primary and Non-Contributory When Required in a Written Agreement or Contract With You**

To align with revisions to the Other Insurance provision in PB0009 Common Policy Conditions form, minor editorial revisions were made.

**Reductions in Coverage**

**PBAI02 0624 Acknowledgement of Additional Insured Status - Managers or Lessors of Leased Premises -**

As previously noted above in PB0006 Automatic Additional Insureds paragraph, 5.e. Managers or Lessors of Leased Premises, this form has been revised to delete "arising out of" language and adding specific language to provide an additional insured with coverage for their vicarious or contributory negligence only. ISO has monitored various court decisions and found that in many disputes between insurers and insureds, courts construed broadly the phrase "arising out of" in the absence of specific language limiting coverage. As a result of this revision, the additional insured will only have coverage for the bodily injury, property damage or personal and advertising injury that is caused, in whole or in part, by either the named insured or those acting on behalf of the named insured. The revised language is designed to prevent any alleged coverage for the additional insured's sole negligence. In those states in which: 1) Named insureds are permitted to contractually hold harmless an additional insured for that additional insured's sole negligence; and 2) Courts have enabled coverage for the sole negligence of the additional insured, these changes may be considered a reduction in coverage.

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**PBA110 0624 Acknowledgement of Additional Insured Status -Owners or Other Interest From Whom Land Has Been Leased**

This form is revised to delete "arising out of" language and adding specific language to provide an additional insured with coverage for their vicarious or contributory negligence only. ISO has monitored various court decisions and found that in many disputes between insurers and insureds, courts construed broadly the phrase "arising out of" in the absence of specific language limiting coverage. As a result of this revision, the additional insured will only have coverage for the bodily injury, property damage or personal and advertising injury that is caused, in whole or in part, by either the named insured or those acting on behalf of the named insured. The revised language is designed to prevent any alleged coverage for the additional insured's sole negligence. In those states in which: 1) Named insureds are permitted to contractually hold harmless an additional insured for that additional insured's sole negligence; and 2) Courts have enabled coverage for the sole negligence of the additional insured, these changes may be considered a reduction in coverage.

**Premier Businessowners New Endorsements:**

**Reductions In Coverage**

**PB1803 0624 Cyber Incident Liability Exclusion**

When this new endorsement is attached to your policy, coverage is excluded with respect to "bodily injury", "property damage" or "personal and advertising injury" arising out of a cyber incident. This is a reinforcement of intent. However, to the extent that current policy exclusions do not apply to liability arising out of cyber incidents, attachment of this endorsement will result in a reduction of coverage.

**PB1560 0624 Cyber Incident Property Exclusion** -Excludes direct physical loss of or damage to Covered Property resulting from a Cyber incident.

**Clarifications In Coverage and Reductions of Coverage**

**PB1804 0624 Exclusion - Violation Of Law Addressing Data Privacy**

When this new endorsement is attached to your policy, an exclusion is added that excludes coverage for "bodily injury", "property damage" or "personal and advertising injury" that generally arises out of the violation of statutes, ordinances, regulations or other laws generally pertaining to any person's or organization's confidential or personal material or information, including financial, health, biometric or other nonpublic material or information. This exclusion is a reinforcement of coverage intent. Damages related to violations of laws pertaining to data privacy are not intended to be covered under the Premier Businessowners Liability Coverage Form.

**PB9074 0624 Cyber Suite Coverage Endorsement** - The following revisions were made under Exclusions:

- 2. Updated the definition of war.
- 3. Added satellite networks to the list of examples of telecommunication network
- 19. Reframed the exclusion so that it now applies to losses from policy provisions that would expose the insured or the insurer to a violation of U.S. economic or trade sanction laws or the laws of other applicable jurisdictions.

**Premier Businessowners State Specific Endorsements:**

**Expansion in Coverage**

**PB9020 0624 Massachusetts Amendatory Endorsement** - Updated Covered Property to include antennas and their lead-in wiring, masts or towers attached to the building if not covered by other insurance. [Condominium Association Amendments.B.1.a.(5)(c)]

**Broadenings in Coverage**

**PB9041 0624 Tennessee Amendatory Endorsement** - Removed paragraph F.2. as this was inadvertently included in prior editions. Form GA45 is not an applicable Businessowners form for any state.



**Clarifications Or No Impact In Coverage**

**PB9002 0624 Arizona Amendatory Endorsement** - Paragraph I.2. Appraisal, was revised to align with changes made to the PB0002 under E. Property Loss Conditions 2. Appraisal, which requires mutual consent, setting time frames for selection of appraisers and umpires, and limiting the scope of appraisal.

**PB9004 0624 California Amendatory Endorsement** - Paragraph C.2. was revised to align with changes made to the PB0002 under E. Property Loss Conditions 2. Appraisal, which requires mutual consent, setting time frames for selection of appraisers and umpires, and limiting the scope of appraisal.

**PB9006 0624 - Connecticut Amendatory Endorsement** - Added Stock as covered business personal property to reinforce coverage intent. [Condominium or Townhouse Association Amendments.B.2.b.(4)]

**PB9008 0624 District of Columbia Amendatory Endorsement** - Paragraphs E. and F. have been removed as they are no longer needed as a result of revisions to PB0006 Businessowners Liability Coverage Form which removed the word "sole" from the Insuring Agreement in Coverages A. and B. Also removed the reference to the Premier Businessowners Liability Coverage Form at top of form, due to removal of the liability-related paragraphs E. and F.

**PB9009 0624 Arkansas Amendatory Endorsement** - Paragraph E.2 now aligns with PB0002 E. PROPERTY LOSS CONDITIONS paragraph 2. Appraisal so this paragraph has been removed.

**PB9012 0624 Illinois Amendatory Endorsement** - The following revisions were made:

- Paragraph D.3. - revised to add 'this' after the word 'cancel' to align with ISO's BP0154 0118.
- Paragraph F. 3., second paragraph, is revised to reference paragraphs a. and b., as paragraph c. was added to E.2. Appraisal condition in PB0002 and was not impacted.
- Paragraph H. is revised to replace form number PB9082 with our countrywide EPLI form number PB0589. No change in coverage.
- Paragraph J. - editorial revisions to remove bolded text of numerical/alpha paragraphs where not applicable.

**PB9015 0624 Kansas Amendatory Endorsement** - Paragraph E.1. Appraisal, was revised to align with changes made to the PB0002 under E. Property Loss Conditions 2. Appraisal, which requires mutual consent and limiting the scope of appraisal.

**PB9019 0624 Maryland Amendatory Endorsement**

- At the top, the Premier Businessowners Liability Coverage Form has been added to the list of Coverage forms this endorsement modifies.
- Section H., paragraph 3 has been deleted as it does not apply.
- Section H., new paragraph 3.(previously paragraph 4) 'If you are a Condominium or Townhouse Association', paragraph F. has been rearranged with no change in coverage intent.
- Section H., new paragraph 3.(previously paragraph 4), paragraph G. has been relocated under Section H., paragraph F.1.
- Section H., new paragraph 3.(previously paragraph 4), paragraph F.2. has been deleted as this language is already included in our countrywide form PB1701 Condominium Association Coverage.

**PB9020 0624 Massachusetts Amendatory Endorsement** - Added Stock as covered business personal property to reinforce coverage intent. [Condominium Association Amendments.B.2.b.]

**PB9021 0624 Michigan Amendatory Endorsement** - Appraisal was removed as the revision made to the PB0002 under E. Property Loss Conditions 2. Appraisal, to require mutual consent, setting time frames for selection of appraisers and umpires, and limiting the scope of appraisal will now be acceptable and an exception is no longer needed.

**PB9024 0624 Missouri Amendatory Endorsement** - Appraisal was removed as the revision made to the PB0002 under E. Property Loss Conditions 2. Appraisal, to require mutual consent, setting time frames for selection of appraisers and umpires, and limiting the scope of appraisal will now be acceptable and an exception is no longer needed.

**PB9026 0624 Nebraska Amendatory Endorsement** - Appraisal was removed as the revision made to the PB0002 under E. Property Loss Conditions 2. Appraisal, to require mutual consent, setting time frames for selection of appraisers and umpires, and limiting the scope of appraisal will now be acceptable and an exception is no longer needed.

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**PB9031 0624 New York Amendatory Endorsement** - Under Amendments to the Property Coverage Form, Property Loss Conditions, Appraisal was updated to clarify judge selection criteria, clarify the authority of the appraisers and umpire, clarify the scope of the appraisal is limited to the amount of loss, and clarify that we reserve the right to deny coverage for excluded or non-covered damage. [L.6.2.] Under M. Amendments to the Liability Coverage Form, Coverage A. and Coverage B., Insuring Agreement paragraphs 1.a., the word 'sole' has been removed in the sentence 'We may, at our sole discretion...' to align with revisions to the Liability Coverage Form, PB0006. [M.6.a, M.7.a.]

**PB9032 0624 North Carolina Amendatory Endorsement** - Amendatory was revised to remove, E. Property Loss Conditions, 2. Appraisal condition. This Appraisal condition was revised in PB0002 Premier Businessowners Property Coverage Form as noted above.

**PB9036 0624 Oregon Amendatory Endorsement** - Paragraph F.1 Appraisal was removed as the revision made to our PB0002 under E. Property Loss Conditions, 2. Appraisal, to require mutual consent, setting time frames for selection of appraisers and umpires, and limiting the scope of appraisal will now be acceptable and an exception is no longer needed.

**PB9037 0624 Pennsylvania Amendatory Endorsement** - Added Stock as covered business personal property to reinforce coverage intent [Condominium or Townhouse Association Amendments.B.2.b.(4)].

**PB9038 0624 Rhode Island Amendatory Endorsement** - Amendments to the Property Coverage Form, Property Loss Conditions, Appraisal, was removed to align with revisions to the Property Coverage Form, PB0002. The revisions set a timeframe for selection of appraiser and/or umpire within a certain number of days and clarify that we reserve the right to deny coverage for excluded or non-covered damage. [D.1.] Added Stock as covered business personal property to reinforce coverage intent. [Condominium or Townhouse Association Amendments.B.2.b.(4)]

**PB9040 0624 South Dakota Amendatory Endorsement** - Appraisal was removed as the revision made to the PB0002 under E. Property Loss Conditions 2. Appraisal, to require mutual consent, setting time frames for selection of appraisers and umpires, and limiting the scope of appraisal will now be acceptable and an exception is no longer needed.

**PB9042 0624 Texas Amendatory Endorsement** - Paragraph D.2.a. Appraisal was revised to align with changes made to the PB0002 under E. Property Loss Conditions 2. Appraisal.

**PB9045 0624 Virginia Amendatory Endorsement** - Appraisal was removed as the revision made to the PB0002 under E. Property Loss Conditions 2. Appraisal, to require mutual consent, setting time frames for selection of appraisers and umpires, and limiting the scope of appraisal will now be acceptable and an exception is no longer needed.

**PB9047 0624 West Virginia Amendatory Endorsement** - Paragraph B.1. now aligns with PB0002 E. PROPERTY LOSS CONDITIONS paragraph 2. Appraisal so this paragraph has been removed.

**PB9088 0624 Veterinarians EXTRA Endorsement**

This is a MT state exception form. Language has been revised pertaining to claims of negligence or other wrongdoing under the Professional Services Exclusion (similar to PB0006 above) under 2. EXCLUSIONS by adding 'against any insured' and replacing 'an' with 'that' for consistency with similar language used in ISO's Commercial General Liability program.

**PB9089 0624 Optometrist Professional Liability**

This is a MT state exception form. Language has been revised pertaining to claims of negligence or other wrongdoing under the Professional Services Exclusion (similar to PB0006 above) under 2. EXCLUSIONS by adding 'against any insured' and replacing 'an' with 'that' for consistency with similar language used in ISO's Commercial General Liability program.

**PB9090 0624 Connecticut-Cyber Suite Coverage Endorsement**

- Updated the definition of war.
- Added satellite networks to the list of examples of telecommunication network
- Reframed the exclusion so that it now applies to losses from policy provisions that would expose the insured or the insurer to a violation of U.S. economic or trade sanction laws or the laws of other applicable jurisdictions.



**PB9049 0624 Wyoming Amendatory Endorsement was revised as follows:**

- E. Property Loss Conditions, 3. Duties In The Event of Loss require prompt notice of the loss or damage.
- G. Optional Coverages, 1. Employee Dishonesty Optional Coverage, section k. was replaced to have the deductible be applicable first in a settlement.
- I. Coverage, 2. Defense of Claims, Administrative Hearings & Settlement Authority was replaced to indicate our duty to defend after the tender of limits before judgement or settlement.

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NATIONWIDE GENERAL INSURANCE COMPANY

ONE WEST NATIONWIDE BLVD  
COLUMBUS, OH 43215-2220  
1-877 On Your Side  
1 (877) 669-6877

RENEWAL

**PREMIER BUSINESSOWNERS POLICY**

HABITATIONAL

**COMMON DECLARATIONS**

Policy Number: ACP BP013221130667

Named Insured: MANORS AT AMYCLAE TOWNHOUSE ASSOCIATION INC

Mailing Address: 424 N UNION AVE  
HAVRE DE GRACE, MD 21078-2827

Agency: SIMMERER INSURANCE LLC

Address: 601 7TH ST  
STE 103  
LAUREL, MD 20707-4011

Agency Phone Number: (301) 386-0900

Producer: PHILIP SIMMERER

Policy Period: Effective From 12-20-2024 To 12-20-2025  
12:01 AM Standard Time at your principal place of business



**Premiums/Fees**

Total Annual Premium	\$1,946.00
<b>Total Policy Premium</b>	<b>\$1,946.00</b>

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Form of your business entity: Corporation

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

These Common Policy Declarations, together with the Common Policy Conditions, Coverage Form Declarations, Coverage Forms and any endorsements issued to form a part thereof, complete the Policy numbered above.

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**Nationwide®**

# PREMIER BUSINESSOWNERS POLICY

HABITATIONAL

## COMMON DECLARATIONS

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Policy Number: ACP BP013221130667

Policy Period: From 12-20-2024 To 12-20-2025

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### SCHEDULE OF NAMED INSUREDS

**Named Insured:**

MANORS AT AMYCLAE TOWNHOUSE ASSOCIATION INC





**Nationwide®**

**PREMIER BUSINESSOWNERS POLICY**  
**HABITATIONAL**  
**PROPERTY DECLARATIONS**

Policy Number: ACP BP013221130667

Policy Period: From 12-20-2024 To 12-20-2025

**Premises: 001 / Building: 001**

**Premises Address:** 1200 ATHENS CT  
 BEL AIR, MD 21014-2796

**Classification:** Homeowners Associations

**Construction Type:** Frame

**Occupancy Type:** Building Owner - Lessors risk

ENTRY PIER MAILBOXES AND POST

WE PROVIDE INSURANCE ONLY FOR THOSE COVERAGES INDICATED BY A LIMIT OR BY "INCLUDED".  
 Property Coverage is subject to a **\$1,000 Deductible**, unless otherwise stated.

Coverages	Deductible	Limit
Building	\$1,000	\$23,200
Replacement Cost		
Business Personal Property	\$1,000	\$300

**Additional Coverages - The Coverage Form includes other Additional Coverages not shown**

Business Income		Included
Actual Loss Sustained		12 Months
Waiting Period		0 Hours
Ordinary Payroll		60 Days
Extended Period Of Indemnity		60 Days
Extra Expense		Included
Actual Loss Sustained		12 Months
Waiting Period		0 Hours
Equipment Breakdown	No Separate Deductible	Included
Building Automatic Increase Percentage		2%
Business Personal Property Automatic Increase Percentage		2.9%
Back Up Of Sewer And Drain Water		
Per Building Limit		\$5,000
Back Up Aggregate Limit		\$25,000
Appurtenant Structures - 10% of Building Limit of Insurance - Maximum \$50,000 any one structure		Included
Increased Cost of Construction		See Endorsement

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**Nationwide®**

**PREMIER BUSINESSOWNERS POLICY**  
**HABITATIONAL**  
**PROPERTY DECLARATIONS**

Policy Number: ACP BP013221130667 Policy Period: From 12-20-2024 To 12-20-2025

Premises: 001 / Building: 001

Coverages	Deductible	Limit
<b>Optional Coverages - Other frequently purchased coverage options</b>		
Employee Dishonesty Per Occurrence		\$50,000
Ordinance Or Law Coverage		
Loss To The Undamaged Portion Of The Building (Coverage Equal To Building Limit)		Not Provided
Demolition Cost And Broadened Increased Costs Of Construction		Not Provided
Ordinance Or Law Broadened Coverage		\$250,000
Windstorm/Hail Deductible	No Separate Deductible	

Optional Increased Limits	Included Limit	Additional Limit	Total Limit
Accounts Receivable	\$25,000		\$25,000
Valuable Papers and Records (At the Described Premises)	\$25,000		\$25,000
Forgery Or Alteration	\$10,000		\$10,000
Money And Securities			
Inside the Premises	\$10,000		\$10,000
Outside the Premises (Limited)	\$10,000		\$10,000
Outdoor Signs	\$2,500		\$2,500
Outdoor Trees, Shrubs, Plants And Lawns	\$10,000		\$10,000
Business Personal Property Off Premises			
Property Away From Premises	\$15,000		\$15,000
Property Away From Premises - Transit	\$15,000		\$15,000
Electronic Data	\$10,000		\$10,000
Interruption Of Computer Operations	\$10,000		\$10,000
Computer Fraud And Funds Transfer	\$10,000		\$10,000





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**PREMIER BUSINESSOWNERS POLICY**  
**HABITATIONAL**  
**PROPERTY DECLARATIONS**

Policy Number: ACP BP013221130667

Policy Period: From 12-20-2024 To 12-20-2025

**Premises: 001 / Building: 001**

Optional Increased Limits	Included Limit	Additional Limit	Total Limit
Business Personal Property Temporarily In Portable Storage Units	\$10,000		\$10,000

**PROTECTIVE SAFEGUARDS**

Based on information you and/or your agent provided, this premises has Protective Safeguards as identified below. A Protective Safeguards endorsement will be added to your policy based on this information, and you risk the loss of insurance if you fail to maintain, or knew or should have known of any suspension or impairment of any Protective Safeguard(s) identified below. Note that Protective Safeguard(s) must be: in place, operational, and maintained in good working order and you must notify us immediately (at Commercial Lines Service Center by calling (866) 322-3214) in the event of any known or planned disablement of any Protective Safeguard(s).

**APPLICABLE PROTECTIVE SAFEGUARDS: NOT APPLICABLE**

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**Nationwide®**

**PREMIER BUSINESSOWNERS POLICY**  
**HABITATIONAL**  
**LIABILITY DECLARATIONS**

Policy Number: ACP BP013221130667

Policy Period: From 12-20-2024 To 12-20-2025

<b>Limits Of Insurance</b>		<b>Limit</b>
Each Occurrence Limit of Insurance	Per Occurrence	\$1,000,000
Medical Payments Sub Limit	Per Person	\$5,000
Tenants Property Damage Legal Liability Sublimit	Per Covered Loss	\$300,000
Personal And Advertising Injury	Per Person Or Organization	\$1,000,000
Products-Completed Operations Aggregate Limit	All Occurrences	\$2,000,000
General Aggregate (Other Than Products-Completed Operations)	All Occurrences	\$2,000,000

**Automatic Additional Insureds Status**

The following persons or organizations are automatically insureds when you and they have agreed in a written contract or agreement that such person or organization be added as an additional insured on your policy.

- Co-Owners of Insured Premises
- Controlling Interest
- Grantor of Franchise or License
- Lessors of Leased Equipment
- Managers or Lessors of Leased Premises
- Mortgagee, Assignee or Receiver
- Owners or Other Interest from Whom Land has been Leased
- State or Political Subdivisions - Permits Relating to Premises



<b>Liability Deductible</b>	<b>Deductible</b>
None	

<b>Optional Coverages</b>	<b>Deductible</b>	<b>Limit</b>
Hired Auto Liability		Included
Non-Owned Auto Liability		Included
Directors & Officers With Non-Monetary Relief	Per Wrongful Act	\$1,000,000
	Aggregate Limit	\$1,000,000
Retroactive Date	12-20-2022	



**PREMIER BUSINESSOWNERS POLICY**  
**HABITATIONAL**

Policy Number: ACP BP013221130667

Policy Period: From 12-20-2024 To 12-20-2025

**FORMS AND ENDORSEMENTS SUMMARY**

Form Number	Title
PBDS01 01 18	Premier Businessowners Declarations
PB0002 06 24	Premier Businessowners Property Coverage Form
PB0006 06 24	Premier Businessowners Liability Coverages Form
PB0009 06 24	Premier Businessowners Common Policy Conditions
PB0008 06 24	Nuclear Energy Exclusion
PB0404 01 01	Hired Auto And Non-Owned Auto Liability
PB0412 01 01	Limitation Of Coverage To Designated Premises
PB0523 07 15	Cap on Losses from Certified Acts of Terrorism
PB0564 01 20	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act)
PB1478 01 17	Exclusion of Loss Due to By-Products of Production or Processing Operations (Rental Properties)
PB1531 12 24	Cannabis Property Exclusion With Hemp Exception
PB1533 12 24	Cannabis Liability Exclusion With Hemp Exception
PB1560 06 24	Cyber Incident Property Exclusion
PB1701 11 14	Condominium Association Coverage
PB1803 06 24	Cyber Incident Liability Exclusion
PB1804 12 23	Exclusion - Violation of Law Addressing Data Privacy
PB3701 06 24	Ordinance or Law Broadened Endorsement
PB4151 01 17	Directors and Officers Liability (Cooperatives Or Condominiums) With Non-Monetary Relief
PB5422 04 06	Amendment - Employee Dishonesty Optional Coverage - Condominium, Townhouse Or Homeowners Association
PB6005 11 09	Additional Insured - Homeowners Associations
PB9019 06 24	Maryland Amendatory Endorsement
PB9083 06 21	Named Insureds Endorsement
PB9091 09 22	Disclosure Pursuant To Terrorism Risk Insurance Act
PB9101 09 23	PFC/PFAS Exclusion

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**PREMIER BUSINESSOWNERS POLICY**  
**HABITATIONAL**

Policy Number: ACP BP013221130667

Policy Period: From 12-20-2024 To 12-20-2025

**FORMS AND ENDORSEMENTS SUMMARY**

Form Number	Title
PB9104 09 23	Exclusion - Communicable Disease Classified As An Epidemic, Pandemic, or Public Health Emergency
PBAI05 01 17	Acknowledgement of Insured Status Your Real Estate Manager

**IMPORTANT NOTICES**

Form Number	Title
NI0062 01 21	Notice of Terrorism Insurance Coverage
NI0018 01 17	Flood Insurance Notice
NI0109 11 22	PFC/PFAS Exclusion Disclosure
NI0110 09 23	Communicable Disease Classified As An Epidemic, Pandemic, Or Public Health Emergency Exclusion Disclosure
NI0111 12 23	Violation of Law Addressing Data Privacy Exclusion Disclosure
NI9009 01 17	Information for Insureds Who Have Tenants
NI9039 12 24	Important Notice - Businessowners Advisory Notice To Policyholders
NI0004 01 17	Important Notice for Renewal Policies
NI0026 01 17	Important Notice to Maryland Policyholders
NI0035 01 17	Data Breach & Identity Recovery Services
NI0075 01 17	Consumer Report Inquiry Notice
NI9038 06 24	BOP Currency Changes



IN WITNESS WHEREOF, the Company has caused this policy to be signed by its Secretary and President.

*Dennis J. [Signature]*

**Secretary**

*Mark A. Bueren*

**President**

# PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM

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# PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Please 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 Insureds 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. Please refer to Section H. PROPERTY DEFINITIONS.

**A. COVERAGES**

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

**1. COVERED PROPERTY**

Covered Property includes Buildings as described under paragraph a. below, Business Personal Property as described under paragraph b. below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under paragraph 2. PROPERTY NOT COVERED.

- a. **Buildings**, meaning the described buildings and structures at the described premises, including:
  - (1) Completed additions;
  - (2) Fixtures, including outdoor fixtures;
  - (3) Permanently installed:
    - (a) Machinery;
    - (b) Equipment; and
    - (c) Tanks, including pumps;
  - (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
  - (5) Personal property owned by you that is used to maintain or service buildings or structures or the premises, including:
    - (a) Fire extinguishing equipment;
    - (b) Outdoor furniture;
    - (c) Floor coverings;
    - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
    - (e) Outdoor antennas (including dish-shaped antennas) and their lead-in wiring, mast and towers;

- (6) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the buildings or structures;
  - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures; and
  - (c) Antennas (including dish-shaped antennas) and their lead-in wiring, masts, or towers not attached to the buildings.
- (7) Garages, storage buildings, spas, swimming pools, fences, retaining walls, paved surfaces or other appurtenant structures usual to your business, but only if:
  - (a) Coverage is not provided for such structures under the Appurtenant Structures Additional Coverage; and
  - (b) Such structures are then described in the Declarations.

- b. **Business Personal Property** located in or on the buildings or structures at the described premises or in the open (or in a vehicle) within 1,000 feet of the building or structures or within 1,000 feet of the premises described in the Declarations, whichever distance is greater, consisting of the following:
  - (1) Personal property you own that is used in your business, including but not limited to furniture, fixtures, machinery, equipment and "stock";
  - (2) Personal property of others that is in your care, custody or control, except as otherwise provided in Condition 5. Loss Payment under Section E. PROPERTY LOSS CONDITIONS;
  - (3) Tenant improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
    - (a) Made a part of the building or structure you occupy but do not own; and



- (b) You acquired or made at your expense but cannot legally remove; and
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under paragraph 1.b.(2) personal property of others above.
- (5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control and you must be contractually obligated to repair or replace it. We will also pay for necessary repair or replacement of encasing frames, lettering or ornamentation that is part of the exterior glass.

Regardless of the amount of the Deductible, the most we will deduct from any loss or damage to exterior building glass in any one occurrence is listed in paragraph D.2. DEDUCTIBLES.

(6) "Stock".

**2. PROPERTY NOT COVERED**

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in:
  - (1) Money and Securities Additional Coverage;
  - (2) Computer Fraud And Funds Transfer Fraud Additional Coverage; or
  - (3) Employee Dishonesty under Section G. OPTIONAL COVERAGES;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water (including water that is natural, metered water that is purchased from a utility company or other supplier, water that is located within a swimming pool, and/or bulk containerized water which is utilized for a fire suppression system. This does not include containerized water that is stock), growing crops or lawns (other than lawns which are part of a vegetated roof);
- e. Outdoor signs (other than signs attached to buildings), trees, shrubs, plants or lawns (other than "stock" of trees, shrubs

or plants and trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:

- (1) Outdoor Signs Coverage Extension; or
- (2) Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension.
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Gasoline or diesel fuel contained in above ground or underground storage tanks;
- h. Property that is covered under another coverage form of this or any other policy issued to the Named Insured listed on this policy in which it is more specifically described, except for the excess of the amount due (whether you can collect it or not) from that other insurance;
- i. Grain, hay, straw or other crops while in the open;
- j. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;
- k. "Computer(s)" 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(s)" while held as "stock";
- l. "Electronic data", except as provided in the Electronic Data or Equipment Breakdown Additional Coverages. This paragraph l. does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lightning, heating, ventilation, air conditioning or security system.

**3. COVERED CAUSES OF LOSS**

This Coverage Form insures against direct physical loss unless the loss is:

- a. Excluded in Section B. EXCLUSIONS;
- b. Limited in paragraph A.4. LIMITATIONS in this section; or
- c. Limited or excluded in Section E. PROPERTY LOSS CONDITIONS or Section F. PROPERTY GENERAL CONDITIONS.

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**4. LIMITATIONS**

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

- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for 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 with the gases of combustion pass.

This limitation does not apply to loss or damage provided under the Equipment Breakdown Additional Coverage.

- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

This limitation does not apply to loss or damage provided under the Equipment Breakdown Additional Coverage.

- (3) 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. This limitation does not apply to Money and Securities Additional Coverage.

- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

This limitation does not apply to loss or damage provided under the Unauthorized Business Card Use or Computer Fraud.

- (5) Fences, spas, outdoor swimming pools and related equipment, retaining walls, pavements, bulkheads, pillars, wharves or docks caused by freezing or thawing, impact of watercraft, or by the pressure or weight of snow, sleet, ice or water whether driven by wind or not.

- (6) 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:

- (a) 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
- (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

b. 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:

- (1) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This limitation does not apply to:

- (a) Glass that is part of the exterior or interior of a building or structure;

- (b) Containers of property held for sale; or

- (c) Photographic or scientific instrument lenses.

c. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.
- (2) \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$250 or less per item.
- (3) \$2,500 for patterns, dies, molds and forms.

**5. ADDITIONAL COVERAGES**

a. **Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property and debris from the property of others when such debris is caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.



- (2) The most we will pay under this Debris Removal Additional Coverage is 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.

This Debris Removal Additional Coverage will not increase the Limits of Insurance provided by this policy.

HOWEVER, this limitation does not apply to any additional debris removal limit provided in paragraph (4) below.

- (3) This Debris Removal Additional Coverage does not apply to costs to:
  - (a) Remove deposits of mud or earth from the grounds, outside of buildings, of the described premises;
  - (b) Extract "pollutants" from land or water;
  - (c) Remove, restore or replace polluted land or water; or
  - (d) Extract "pollutants" from Covered Property.

- (4) If:
  - (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
  - (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph (2) above;

we will pay up to an additional \$25,000 for each location in any one occurrence under this Debris Removal Additional Coverage.

**b. Preservation Of Property**

- (1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:
  - (a) While it is being moved or while temporarily stored at another premises; and
  - (b) Only if the loss or damage occurs within 45 days after the property is first moved.

- (2) This Preservation of Property Additional Coverage will not increase the Limits of Insurance provided by this policy.

**c. Fire Department Service Charge**

- (1) When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:
  - (a) Assumed by contract or agreement prior to loss; or
  - (b) Required by local ordinance.
- (2) The limit for this Fire Department Service Charge Additional Coverage is in addition to the Limits of Insurance.
- (3) No deductible applies to this Fire Department Service Charge Additional Coverage.

**d. Fire Extinguisher Recharge**

- (1) We will pay the expense you incur to recharge portable fire extinguishers when used to combat a covered fire.
- (2) This Fire Extinguisher Recharge Additional Coverage is not subject to the Limits of Insurance.
- (3) No deductible applies to this Fire Extinguisher Recharge Additional Coverage.

**e. Collapse**

The coverage provided under this Collapse Additional Coverage applies only to an abrupt collapse as described and limited in paragraphs e.(1) through e.(7).

- (1) For the purpose of this Collapse Additional Coverage 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 of or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, 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

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- decay is known to an insured prior to collapse.
- (b) Insect or vermin damage that is hidden from view, unless the presence of such decay 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 materials 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:
  - (i) A cause of loss listed in paragraph (2)(a) or (2)(b);
  - (ii) One or more of the "specified causes of loss";
  - (iii) Breakage of building glass;
  - (iv) Weight of people or personal property; or
  - (v) Weight of rain, snow, sleet or ice, that collects on a roof.
- (3) This Collapse Additional Coverage 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, mast or towers;
  - (b) Awnings, gutters and downspouts;
  - (c) Yard fixtures;
  - (d) Outdoor swimming pools;
  - (e) Fences;

- (f) Bulkheads, pilings, 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) above, we will pay for loss or damage to that property in (a) through (i) above only if such loss or damage is a direct result of abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.

- (5) If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building or any part of a building, we will pay for loss of 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) above;
  - (b) The personal property which collapses is inside a building; and
  - (c) The property which collapses is not of a kind listed in paragraph (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 collapse.

- (6) This Collapse Additional Coverage 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 Collapse Additional Coverage will not increase the Limits of Insurance provided in this policy.



**f. Water Damage, Other Liquids, Powder Or Molten Material Damage**

(1) If a covered loss to which this insurance applies was caused by or resulted from water or other liquid, powder or molten material, 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.

HOWEVER, we will not pay for a loss caused by or resulting from water or other liquid, powder or molten material if the system or appliance in which the water or other substance escapes from is located off of the described premises.

(2) We will not pay the cost to repair any defect that caused the loss or damage except as provided in Equipment Breakdown Additional Coverage; 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.

(3) This Water Damage Additional Coverage will not increase the Limits of Insurance provided in this policy.

**g. Business Income**

**(1) Business Income with Ordinary Payroll Limitation**

(a) 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 the described premises. 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 1,000 feet of the site at which the described premises are located.

(b) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
- (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

(c) We will only pay for loss of "business income" that you sustain during the "period of restoration" and that occurs within the number of consecutive months shown in the Declarations for Business Income – Actual Loss Sustained after the date of direct physical loss or damage. We will only pay for "ordinary payroll expenses" for the number of days shown in the Declarations for Ordinary Payroll Limit following the date of direct physical loss or damage.

**(2) Extended Business Income**

(a) 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:

- (i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (ii) 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. Sixty (60) consecutive days after the date determined in (2)(a)(i)

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above, unless a greater number of days is shown for Extended Business Income Increased Period of Indemnity in the Declarations at that described premises.

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.

- (b) Loss of a "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.
- (3) This Business Income Additional Coverage is not subject to the Limits of Insurance.

**h. Extra Expense**

- (1) We will pay necessary "extra expense" you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property at the described premises. 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 1,000 feet of the site at which the described premises are located.
- (2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:
  - (a) The portion of the building which you rent, lease or occupy; and
  - (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (3) We will only pay for "extra expense" that occurs within the number of consecutive months shown in the Declarations for Extra Expense after

the date of direct physical loss or damage.

- (4) This Extra Expense Additional Coverage is not subject to the Limits of Insurance.

**i. Pollutant Clean Up And Removal**

- (1) We will pay your expense to extract "pollutants" from land, water or Covered Property 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 of direct physical loss or damage.
- (2) This Pollutant Clean Up And Removal Additional Coverage does not apply to:
  - (a) Costs to test for, monitor or assess the existence, concentration or effects of "pollutants"; or
  - (b) Any penalties or assessments that may be charged against you due to any statute, regulation or ordinance.

But we will pay for testing which is performed in the course of extracting the "pollutants" from land or water.

- (3) The most we will pay for each location under this Pollutant Clean Up And Removal Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.
- (4) The limit for this Pollutant Clean Up And Removal Additional Coverage is in addition to the Limits of Insurance.

**j. Civil Authority**

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 30 days after coverage begins.

Civil Authority coverage for necessary "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) 30 days after the time of that action; or
- (2) When your Civil Authority coverage for "business income" ends;

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

**k. Money Orders And Counterfeit Money**

- (1) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
  - (a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
  - (b) "Counterfeit money" that is acquired during the regular course of business.
- (2) The most we will pay for any loss under this Money Orders And Counterfeit Money Additional Coverage is \$5,000.
- (3) The limit for this Money Orders And Counterfeit Money Additional

Coverage is in addition to the Limits of Insurance.

**l. Forgery And Alteration**

- (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 21<sup>st</sup> 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 Additional Coverage is \$10,000, unless a higher Limit of Insurance is shown in the Declarations.
- (5) All losses:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one occurrence.
- (6) The limit for this Forgery And Alteration Additional Coverage is in addition to the Limits of Insurance.

**m. Increased Cost Of Construction – Damaged Property**

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (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 paragraphs (3) through (8) of this

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Increased Cost Of Construction – Damaged Property Additional Coverage.

- (3) The ordinance or law referred to in paragraph (2) of this Increased Cost Of Construction – Damaged Property 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 Increased Cost Of Construction – Damaged Property 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 Increased Cost Of Construction – Damaged Property 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 "fungi", wet rot or dry rot; 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", "fungi", wet rot or dry rot.
- (6) The most we will pay under this Increased Cost Of Construction – Damaged Property Additional Coverage, for each described building insured under this Coverage Form, is \$25,000.

The limit for this Increased Cost Of Construction – Damaged Property Additional Coverage is in addition to the Limits of Insurance.

- (7) With respect to this Increased Cost Of Construction – Damaged Property Additional Coverage:
  - (a) We will not pay any costs:
    - (i) Until the property is actually repaired or replaced, at the same described premises 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.
  - (b) If the building is repaired or replaced at the same described 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 described premises.
  - (c) 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 for a building of like, kind and quality and of the same size and use.
- (8) This Increased Cost Of Construction – Damaged Property 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 Increased Cost Of Construction – Damaged Property Additional Coverage.

**n. Equipment Breakdown**

- (1) We will pay for direct physical loss of or damage to Covered Property caused by or resulting from an "accident" to "covered equipment".  
If an initial "accident" causes other "accidents", all will be considered one "accident". All "accidents" that are the result of the same event will be considered one "accident".
- (2) If a dollar deductible is shown in the declarations for this Equipment Breakdown Additional Coverage, we will first subtract the applicable deductible amount from any loss we



would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.

If no dollar deductible is shown for Equipment Breakdown Additional Coverage, the Property Deductible shown in the Declarations applies.

- (3) The following coverages also apply to loss caused by or resulting from an "accident" to "covered equipment". These coverages do not provide additional amounts of insurance.

(a) **Expediting Expenses**

With respect to your damaged Covered Property, we will pay, up to \$100,000, the reasonable extra cost to:

- (i) Make temporary repairs; and
- (ii) Expedite permanent repairs or replacement.

(b) **Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in (3)(c)(ii) below.

Additional costs mean those beyond what would have been required had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of "business income" you sustain and necessary "extra expense" you incur is \$100,000.

(c) **Perishable Goods**

- (i) We will pay for physical damage to "perishable goods" due to spoilage.
- (ii) We will also pay for physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.

- (iii) We will also pay necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (iv) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with Condition 5. Loss Payment under Section E. **PROPERTY LOSS CONDITIONS.**

The most we will pay for loss, damage or expenses under this coverage is \$100,000.

(d) **Service Interruption**

- (i) The insurance provided under the Business Income Additional Coverage, the Extra Expense Additional Coverage and for (c) Perishable Goods in this Equipment Breakdown Additional Coverage, is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water or steam, internet access, telecommunications services, wide area networks or data

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transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

- (ii) Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident".
- (iii) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Perishable Goods.

**(e) Electronic Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore lost "electronic data".

The most we will pay for loss or expense under this coverage, including actual loss of "business income" you sustain and necessary "extra expense" you incur, is \$100,000.

**(f) Environmental, Safety and Efficiency Improvements**

The following provision does not apply to property insured on an "actual cash value" basis.

If "covered equipment" requires replacement due to loss or damage caused by or resulting from an "accident", we will pay your additional cost to replace with equipment that is better for the environment, more efficient or safer than the equipment being replaced.

HOWEVER, we will not pay more under this additional coverage than 125% of what the cost would have been to repair or replace with like kind and quality.

This provision does not increase any of the applicable limits.

**(4) Additional Exclusions**

- (a) We will not pay under this Equipment Breakdown Additional Coverage for loss, damage or expense caused by or resulting from:

- (i) Any defect, programming error, programming limitation, "computer" virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within "electronic data". But if an "accident" results, we will pay for the resulting loss, damage or expense; or

- (ii) Any of the following tests:

- i. A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- ii. An electrical insulation breakdown test of any type of electrical equipment.

- (b) With respect to (d) Service Interruption coverage, we will not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood; or earth movement.

- (c) Exclusion B.1.h. Fungi, Wet Rot Or Dry Rot does not apply to spoilage of personal property that is "perishable goods," to the extent that spoilage is covered under (c) Perishable Goods coverage.

- (d) We will not pay under this Equipment Breakdown Additional Coverage for any loss or damage to animals.

**(5) Additional Conditions**

**(a) Suspension**

Whenever "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to: your address as shown in the Declarations, or at the address



where the equipment is located. Once suspended in this way, your insurance can be reinstated only by written notice of reinstatement from us.

**(b) Jurisdictional Inspections**

If "covered equipment" under this Equipment Breakdown Additional Coverage 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.

- (6) The most we will pay for loss, damage or expense under this Equipment Breakdown Additional Coverage arising from any one "accident" is the applicable Limit of Insurance shown in the Declarations. This Equipment Breakdown Additional Coverage will not increase the Limits of Insurance provided by this policy.

**o. Arson Reward for Conviction**

- (1) In the event that a covered fire loss was the result of an act of arson, we will pay a reward to anyone, other than paid investigators, who gives legal authorities information that leads to the conviction of anyone who committed such arson.
- (2) We will pay up to 10 percent of the amount of the insured fire loss or \$10,000, whichever is less. This payment is the most we will pay in any one occurrence, regardless of the number of persons providing information or convicted of arson.
- (3) The limit for this Arson Reward for Conviction Additional Coverage is in addition to the Limits of Insurance.
- (4) No deductible applies to this Arson Reward for Conviction Additional Coverage.

**p. Money And Securities**

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at the

described premises, or in transit by direct route between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
  - (b) Disappearance; or
  - (c) Destruction.
- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss or damage:
- (a) Resulting from accounting or arithmetical errors or omissions;
  - (b) Due to the giving or surrendering of property in any exchange or purchase;
  - (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;
  - (d) From an unattended motor vehicle; or
  - (e) That is covered under the Unauthorized Business Card Use or Computer Fraud And Funds Transfer Fraud Additional Coverages.
  - (f) To "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:
    - (i) To a person (other than a messenger) outside those premises; or
    - (ii) To a place outside those premises.
- (3) The most we will pay under this Money and Securities Additional Coverage for loss in any one occurrence is:
- (a) **Inside the Premises**, \$10,000 for "money" and "securities" while:
    - (i) In or on the described premises; or
    - (ii) Within a bank or savings institution;
 unless a higher Limit of Insurance for "money" and "securities"

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inside the premises is shown in the Declarations; and

- (b) **Outside the Premises**, \$10,000 for "money" and "securities" while anywhere else, unless a higher Limit of Insurance for "money" and "securities" outside the premises is shown in the Declarations.

- (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) The limit for this Money and Securities Additional Coverage is in addition to the Limits of Insurance.
- (7) With respect to this Optional Coverage, "premises" means the interior of that portion of any building you occupy in conducting your business.

**q. Appurtenant Structures**

- (1) We will pay for direct physical loss of or damage to any separate garages, storage buildings, swimming pools, spas, fences, retaining walls, paved surfaces and other appurtenant structures usual to your business at the described premises in the Declarations caused by or resulting from any Covered Cause of Loss.
- (2) The most we will pay for loss or damage under this Appurtenant Structures Additional Coverage in any one occurrence is 10% of the Building Limit of Insurance shown in the Declarations for that described building.

HOWEVER, if the value of any one garage, storage building, swimming pool, spa, fence, retaining wall, paved surfaces or other appurtenant structure exceeds \$50,000, this Appurtenant Structures Additional Coverage does not apply to that structure. The value of the property covered under this Appurtenant Structures Additional Coverage will be determined at replacement cost without deduction for depreciation. If the "Actual Cash Value – Buildings"

option applies to Buildings, as shown in the Declarations, we will determine the value of property covered under this Appurtenant Structures Additional Coverage at "actual cash value". In Section E. PROPERTY LOSS CONDITIONS, paragraph 5.e.(1)(b) under Loss Payment does not apply in determining if property is covered under this Appurtenant Structures Additional Coverage. All Loss Payment provisions are otherwise applicable for loss or damage covered by this Additional Coverage.

- (3) The limit for this Appurtenant Structures Additional Coverage is in addition to the Limits of Insurance.

**r. Back Up Of Sewer Or Drain Water Damage**

- (1) For the purpose of this Back Up Of Sewer Or Drain Water Damage Additional Coverage the following definition is added:  
 "Flood" means a general and temporary condition of partial or complete inundation of normally dry land areas from:
  - (a) The unusual and rapid accumulation or runoff of surface waters from any source;
  - (b) The overflow of inland or tidal waters; or
  - (c) Waves, tides or tidal waves.
- (2) We will pay for loss of or damage to Covered Property caused by water that backs up or overflows from a sewer or drain pipe, sump pump well or similar device designed to prevent overflow, seepage or leakage of subsurface water.  
 We will also pay for loss of or damage to Covered Property caused by water that overflows from any interior plumbing fixture because the water is unable to enter into an attached drain pipe.

HOWEVER, we will not pay for loss or damage that results from:

- (a) Sewer back-up or sump pump overflow that occurs during the period beginning 10 days before and ending 10 days after a "flood" on the described premises;
- (b) An insured's failure to keep a sump pump or its related equipment in proper working condition;



- (c) An insured's failure to perform the routine maintenance or repair necessary to keep a sewer or drain pipe free from obstructions;
- (d) Sump pump failure which is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described premises; or

- (3) The most we will pay for loss or damage under this coverage is:
  - (a) \$5,000 per building; or
  - (b) \$25,000 in any one policy period, regardless of the number of losses;

unless a higher Limit of Insurance for Back Up Of Sewer Or Drain Water Damage is shown in the Declarations.

- (4) The limit of insurance that applies to coverage under this Back Up Of Sewer Or Drain Water Damage Additional Coverage includes any loss arising from debris removal expense, Business Income Additional Coverage and Extra Expense Additional Coverage.
- (5) The limit for this Back Up Of Sewer Or Drain Water Damage Additional Coverage is in addition to the Limits of Insurance.
- (6) The Debris Removal Additional Coverage does not apply to this Back Up Of Sewer Or Drain Water Damage Additional Coverage.

**s. Dependent Properties – Business Income**

- (1) We will pay for the actual loss of "business income" you sustain due to the necessary and unavoidable suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to "dependent property" or "secondary dependent property" caused by or resulting from any Covered Cause of Loss.

HOWEVER, this Additional Coverage does not apply when the only loss at the premises of a Dependent Property or Secondary Dependent Property is loss or damage to "electronic data". If the Dependent Property or Secondary Dependent

Property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the property is repaired, rebuilt or replaced.

- (2) We will only pay for loss of "business income" that occurs within 12 consecutive months after the date of direct physical loss or damage.
- (3) This Dependent Properties – Business Income Additional Coverage is not subject to the Limits of Insurance.
- (4) The "dependent property" or "secondary dependent property" must be located in the coverage territory of this policy.

**t. Limited Coverage for Fungi, Wet Rot Or Dry Rot**

- (1) The coverage described in paragraphs t.(2) and t.(6) only applies when the "fungi", wet rot or dry rot are the result of a "specified cause of loss" other than fire or lightning that occurs 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.
- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
  - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
  - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; 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 "fungi", wet rot or dry rot are present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will

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pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) 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 "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, 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 "fungi", wet rot or dry rot, 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 "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes 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 the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage:

- (a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the 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 "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot 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.

**u. Building Property of Others**

- (1) If you occupy a described premises as a tenant, and a written lease or rental agreement for that premises requires you to pay for loss of or damage to a part of building property you do not own, we will pay for direct physical loss of or damage to that part of building property described in section A.1.a, other than exterior glass, caused by a Covered Cause of Loss.
- (2) The valuation of property covered under this Additional Coverage will be determined in accordance with the building valuation option (e.g. Actual Cash Value or Replacement Cost) shown on the policy declarations, or at the amount for which the tenant is liable under contract, whichever is less.
- (3) The most we will pay for any loss or damage under this Building Property of Others Additional Coverage is \$10,000, unless a higher limit is shown in the Declarations or the property is covered under another coverage form of this or all other collectible insurance. HOWEVER if a higher limit is described in the Covered Property Declarations or the property is covered under another coverage form of this or any other specifically scheduled property, that coverage amount will be in excess of the Building Property of Others Additional Coverage limit, up the applicable limit of insurance.



- (4) The limit for this Building Property of Others Additional Coverage is in addition to the Limits of Insurance.

v. **Unauthorized Business Card Use**

- (1) We will pay for the legal obligation you have because of the theft or unauthorized use of your business credit, debit or charge cards issued to you or registered in your name or the name of your business.
- (2) The most we will pay under this Unauthorized Business Card Use Additional Coverage for loss in any one occurrence is \$10,000.
- (3) All loss:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one occurrence.
- (4) The limit for this Unauthorized Business Card Use Additional Coverage is in addition to the Limits of Insurance.

w. **Computer Fraud And Funds Transfer Fraud**

- (1) We will pay for:
  - (a) Loss resulting from "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" or "securities" from your "transfer account"; or
  - (b) Loss directly related to the use of any computer to fraudulently cause a transfer of covered property from inside the described premises to a person (other than a messenger) or place outside those premises.
- (2) The most we will pay under this Computer Fraud And Funds Transfer Fraud Additional Coverage for loss in any one occurrence is \$10,000 unless a higher Limit of Insurance is shown in the Declarations.
- (3) All loss:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one occurrence.
- (4) The limit for this Computer Fraud and Funds Transfer Fraud Additional

Coverage is in addition to the Limits of Insurance.

- (5) In section B. EXCLUSIONS of this Coverage Form:
  - (a) paragraph B.2.g. False Pretense does not apply to this additional coverage.
  - (b) The following exclusion is added: We will not pay for loss or damages caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

6. **COVERAGE EXTENSIONS**

Except as otherwise provided, the following Extensions apply to property located in or on the described building in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as follows.

a. **Newly Acquired or Constructed Property**

(1) **Buildings**

If this policy covers Buildings, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at premises other than the one described, intended for:
  - (i) Similar use as the described building in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Buildings Coverage Extension is \$1,000,000 at each building.

(2) **Business Personal Property**

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (a) Business Personal Property, including such property that you newly acquire, other than at fairs or exhibitions, at any premises you acquire;

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- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the described premises;

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

The most we will pay for loss or damage under this Business Personal Property Coverage Extension is \$500,000 at each building.

**(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) 180 days 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. Newly Acquired Property - Business Income**

- (1) You may extend the insurance that applies to Business Income Additional Coverages to apply to property at any premises you newly acquire, other than temporary premises such as fairs or exhibitions, whether attended regularly or not.
- (2) The most we will pay for loss under this Newly Acquired Property - Business Income Coverage Extension is the lesser of:
  - (a) The actual loss of "business income" you sustain, as provided for and described under the Business Income Additional Coverage; or
  - (b) \$100,000.

- (3) This insurance will end the earlier of:
  - (a) This policy expires;
  - (b) 180 days after you acquire the property; or
  - (c) You report values to us.

We will charge you any additional premium from the date you acquire the property.

**c. Personal Property Off-premises**

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate.

The most we will pay for loss or damage under this Personal Property Off-premises Coverage Extension is \$15,000 unless a higher limit of insurance for Personal Property Off-premises is shown in the Declarations.

**d. Outdoor Trees, Shrubs, Plants, and Lawns**

- (1) You may extend the insurance provided by this policy to apply to your outdoor trees, shrubs, plants and lawns (other than "stock"), including debris removal expense, caused by or resulting from any of the following Causes of Loss:

Fire; Lightning; Explosion; Aircraft or vehicles; Riot or civil commotion; Vandalism; or Theft.

- (2) The most we will pay for loss or damage under this Outdoor Trees, Shrubs, Plants, and Lawns Coverage Extension is \$10,000 in any one occurrence, unless a higher limit for outdoor trees, shrubs, plants, and lawns is shown in the Declarations, but not more than \$2,500 for any one tree, shrub or plant.

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, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.



- (3) The Debris Removal Additional Coverage does not apply to this Outdoor Trees, Shrubs, Plants, and Lawns Coverage Extension.

**e. Outdoor Signs**

- (1) You may extend the insurance provided by this policy to apply to your outdoor signs, including debris removal expense.
- (2) The most we will pay for loss or damage under this Outdoor Signs Coverage Extension is \$2,500 in any one occurrence, unless a higher limit for outdoor signs is shown in the Declarations.
- (3) The Debris Removal Additional Coverage does not apply to this Outdoor Signs Coverage Extension.

**f. Personal Effects**

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees.

HOWEVER, personal effects does not include:

- (1) Tools or equipment used in your business; or
- (2) "Money", "securities" or jewelry.

AND this Business Personal Property Coverage Extension does not apply to:

- (a) Property while it is in the course of transit or at a premises you do not own, lease or operate.
- (b) Property in storage away from the described premises.

The most we will pay for loss or damage under this Personal Effects Coverage Extension is \$10,000 in any one occurrence, but not more than \$2,500 for the personal effects of any one individual.

**g. Valuable Papers And Records**

- (1) You may extend the insurance provided by this policy to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Valuable Papers And Records Coverage Extension includes the cost to research, replace or restore the lost information on

"valuable papers and records" for which duplicates do not exist.

- (2) This Valuable Papers And Records Coverage Extension does not apply to:
  - (a) Property held as samples or for delivery after sale;
  - (b) Property in storage away from the described premises.
- (3) The most we will pay under this Valuable Papers And Records Coverage Extension for loss of or damage to "valuable papers and records", in any one occurrence at the described building is \$25,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$25,000.

- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.
- (5) Section B. EXCLUSIONS of this Coverage Form does not apply to this Valuable Papers And Records Coverage Extension except for:
  - (a) Paragraph B.1.c. Governmental Action;
  - (b) Paragraph B.1.d. Nuclear Hazard;
  - (c) Paragraph B.1.f. War And Military Action;
  - (d) Paragraph B.2.f. Dishonesty;
  - (e) Paragraph B.2.g. False Pretense;
  - (f) Paragraph B.2.m.(2) Errors Or Omissions; and
  - (g) Paragraph B.3.

**h. Accounts Receivable**

- (1) You may extend the insurance provided by this policy to apply to your records of accounts receivable. We will pay:

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- (a) All amounts due from your customers that you are unable to collect;
  - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
  - (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
  - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.
- (2) The most we will pay under this Accounts Receivable Coverage Extension for loss or damage in any one occurrence at the described building is \$25,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.
- For records of accounts receivable not at the described premises, the most we will pay is \$25,000.
- (3) Section B. EXCLUSIONS of this Coverage Form does not apply to this Accounts Receivable Coverage Extension except for:
- (a) Paragraph B.1.c. Governmental Action;
  - (b) Paragraph B.1.d. Nuclear Hazard;
  - (c) Paragraph B.1.f. War And Military Action;
  - (d) Paragraph B.2.f. Dishonesty;
  - (e) Paragraph B.2.g. False Pretense;
  - (f) Paragraph B.3.; and
  - (g) Paragraph B.6. Accounts Receivable Exclusion.

**i. Salespersons Samples**

- (1) You may extend the insurance that applies to Business Personal Property to apply to salespersons samples while away from the described premises.
- (2) The most we will pay under this Salespersons Samples Coverage

Extension for loss or damage in any one occurrence is \$10,000.

**j. Business Income and Extra Expense – Increased Period of Restoration Due to Ordinance or Law**

If a Covered Cause of Loss occurs to property at the described premises, coverage is extended to include the amount of actual and necessary loss you sustain during the “period of restoration” of “operations” caused by or resulting from the enforcement of, or compliance with, 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 under this Business Income and Extra Expense – Increased Period of Restoration Due to Ordinance or Law Extension to include loss caused by or resulting from the enforcement of or compliance with 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”.

**k. Removal Permit**

If Covered Personal Property is removed to a new premise that is described in the Declarations, you may extend this insurance to include that Covered Personal Property at each premise during the removal. Coverage at each premises will apply in the proportion that the value at each premises bears to the value of all Covered Personal Property being removed. This permit applies up to 30 days after the date Covered Personal Property is first removed at the previous premises; after that, this Removal Permit Coverage Extension does not apply at the previous premises.

**l. Electronic Data**

- (1) You may extend the insurance provided by this policy to apply to the cost to replace or restore “electronic data” which has been destroyed or corrupted by a Covered Cause of Loss, a “computer” 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:

- (a) 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; or
  - (b) Ransomware, meaning any software that encrypts "electronic data" held within a computer system and demands a ransom payment in order to decrypt and restore such "electronic data".
- (2) 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 most we will pay under this Electronic Data Coverage Extension 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 buildings, locations or "computer" systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. 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.
- (4) This Electronic Data Coverage Extension does not apply to losses covered under the Equipment Breakdown Additional Coverage.

**m. Interruption of Computer Operations**

(1) You may extend the insurance that applies to Business Income and Extra

Expense Additional Coverages to apply to a suspension of "operations" caused by an interruption in "computer" operations due to destruction or corruption of "electronic data" due to "specified causes of loss", Collapse or a "computer" 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;

- (a) 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; or
  - (b) Ransomware, meaning any software that encrypts "electronic data" held within a computer system and demands a ransom payment in order to decrypt and restore such "electronic data".
- (2) The most we will pay under this Interruption of Computer Operations Coverage Extension for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of buildings, locations or "computer" systems involved, is \$10,000 unless a higher Limit of Insurance is shown in the Declarations. 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.

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- (3) This Interruption of Computer Operations Coverage Extension 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 (2) above has not been exhausted.
- (4) 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 paragraphs (1) through (3) of this Interruption of Computer Operations Coverage Extension.
- (5) 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 paragraphs (1) through (3) of this Interruption of Computer Operations Coverage Extension.
- (6) This Additional Coverage 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.
- (7) This Interruption of Computer Operations Coverage Extension does not apply to losses covered under the Equipment Breakdown Additional Coverage.

**n. Business Personal Property Temporarily In Portable Storage Units**

- (1) You may extend the insurance that applies to Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 1000 feet of the described premises, whichever distance is greater.
- (2) The limitation under paragraph A.4.a (6) 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 Coverage Extension, the most we will pay for the total of all loss or damage to Business Personal Property at the described premises is \$10,000 (unless a higher Limit Of Insurance is shown in the Declarations for Business Personal Property Temporarily In Portable Storage Units regardless of the number of storage units).
- (5) This extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to loss or damage to the storage unit itself.

**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. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

**a. Ordinance Or Law**

The enforcement of, or compliance with, any ordinance or law:

- (1) Regulating the construction, use or repair of any property;
- (2) Requiring the tearing down of any property, including the cost of removing its debris; or
- (3) Requiring the removal or disposal of "pollutants".

This Ordinance Or Law Exclusion applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) 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
- (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 of or damage to Covered 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. An example of a situation to which the 'otherwise caused' exclusion would apply are acts such as road construction, using tools such as jack hammers and causing ground vibrations in close proximity to the insured's building resulting in damage to the building's structure and foundation.

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 (1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

**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 policy.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, including but not limited to radon gas, 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 occurs 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

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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.

This exclusion does not apply to loss or damage provided under the Equipment Breakdown Additional Coverage.

**f. War And Military Action**

- (1) War, including undeclared or civilwar;
- (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 pipe, sump, sump pump or related equipment, except as provided under the Back Up Of Sewer Or Drain Water Damage Additional Coverage; 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
- (4) 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.

- (5) Water that overflows from any plumbing fixture because the water is unable to enter into an attached drainpipe, or water that is unable to enter into a drain pipe through any interior or exterior drain, drain strainer, catchbasin, roof drain, scupper, or similar device designed to channel water from a plumbing fixture, roof, floor or other surface area, except as provided under the Back Up Of Sewer Or Drain Water Damage Additional Coverage.

This exclusion applies regardless of whether any of the above, in paragraphs (1) through (6), 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.

HOWEVER, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

But if any of the above paragraphs (1) through (6), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. Fungi, Wet Rot Or Dry Rot**

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot 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 "fungi", wet rot or dry rot result from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage For Fungi, Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.



i. **Virus Or Bacteria**

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, the exclusion in paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion h. Fungi, Wet Rot or Dry Rot.
- (3) With respect to any loss or damage subject to the exclusion in paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. **Electrical Apparatus**

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:

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or
- (4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by fire.

This Electrical Apparatus exclusion does not apply to the coverage provided under the Equipment Breakdown Additional Coverage.

b. **Consequential Losses**

Delay, loss of use or loss of market.

c. **Smoke, Vapor, Gas**

Smoke, vapor or gas from agricultural smudging or industrial operations.

d. **Steam Apparatus**

Explosion of steam boilers, steam pipes, steam engines or steam turbines

owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

This Steam Apparatus exclusion does not apply to the coverage provided under the Equipment Breakdown Additional Coverage.

e. **Frozen Plumbing**

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.

f. **Dishonesty**

Dishonest or criminal acts (including theft) by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees (including temporary or leased employees), 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 or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

With respect to Covered Property,

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including accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

**g. False Pretense**

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

**h. Exposed Property**

Rain, snow, ice or sleet to personal property in the open.

**i. Collapse**

- (1) Collapse, including any of the following conditions of property or any part of the property:
  - (a) An abrupt falling down or caving in;
  - (b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
  - (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to paragraph i.(1)(a) or i.(1)(b).

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.

- (2) This Exclusion i. does not apply:
  - (a) To the extent that coverage is provided under the Collapse Additional Coverage; 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.

**j. Pollutants**

We will not pay for loss or damage

caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

**k. Neglect**

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

**l. Other Types Of Loss**

- (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, except as provided under the Equipment Breakdown Additional Coverages;
- (7) Growth of tree, shrub or plant roots causing physical damage to any underground property, property foundations, roadways, walks, patios or other paved surfaces;
- (8) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature;
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in paragraphs (1) through (8)



above results in a "specified cause of loss", "accident" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss", "accident" or building glass breakage.

**m. Errors Or Omissions**

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

HOWEVER, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

**n. Installation, Testing, Repair**

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

HOWEVER, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

**o. Electrical Disturbance**

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided under the Equipment Breakdown or Electronic Data Additional Coverages.

HOWEVER, we will pay for direct loss or damage caused by lightning.

**p. Leakage or Seepage**

Constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, whether continuous or intermittent from any: Heating, air conditioning or refrigerating system;

- (1) Domestic appliance; or
- (2) Plumbing system, including from

or around any shower stall or other shower bath installation, bathtub or other plumbing fixture.

**3.** We will not pay for loss or damage caused by or resulting from any of the following B.3.a. through B.3.c. But if an excluded cause of loss that is listed in B.3.a. through B.3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**a. Weather Conditions**

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph B.1. above to produce the loss or damage.

**b. Acts Or Decisions**

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

**c. Negligent Work**

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting; Design, specifications, workmanship, work methods, repair, construction, renovation, remodeling, grading, compaction, failure to protect the property;
- (2) Materials used in repair, construction, renovation or remodeling; or
- (3) Maintenance; of part or all of any property on or off the described premises.

**4. Additional Exclusion**

The following applies only to the property specified in this Additional Exclusion.

**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

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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.

**5. Business Income And Extra Expense Exclusions**

- a. We will not pay for:
  - (1) Any "extra expense", or increase of "business income" 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.
  - (2) Any other consequential loss.
- b. With respect to this exclusion, suspension means:
  - (1) The partial slowdown or complete cessation of your business activities; and
  - (2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

**6. Accounts Receivable Exclusion**

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

- a. 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.

- b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

**C. LIMITS OF INSURANCE**

1. The most we will pay for loss or damage in any one occurrence is the applicable Limits of Insurance shown in the Declarations, except as otherwise provided in this Section.
2. At a described premises, if a Limit of Insurance is shown in the Declarations for Tenant Improvements and Betterments, that limit is separate from the Limit of Insurance shown for Business Personal Property and the Limit of Insurance applicable to Business Personal Property does not apply to Tenant Improvements and Betterments.
3. The limits applicable to Additional Coverages are in addition to the Limits of Insurance only if so indicated in that Section of this Coverage Form.
4. The limits applicable to the Coverage Extensions are in addition to the Limits of Insurance.
5. **Building Limit – Automatic Increase**
  - a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.
  - b. The amount of increase is calculated as follows:
    - (1) The Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit, times
    - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times



- (3) The number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

**Example:**

If: The applicable Building limit is \$100,000; and  
 The annual percentage increase is 8%; and  
 The number of days since the beginning of the policy year (or last policy change) is 146;

Then the amount of increase is:  
 $\$100,000 \times .08 \times (146 / 365) = \$3,200.$

- c. The Automatic Increase percentage for Buildings will be the percentage shown in the Declarations. This percentage may change at each renewal date, unless a different percentage is selected by you.

**6. Business Personal Property Limit – Automatic Increase**

- a. The Limit of Insurance for Business Personal Property will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase is calculated as follows:
  - (1) Multiply the Limit of Insurance that applied on the most recent of the policy inception date, the policy renewal date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of increase shown in the Declarations, expressed as a decimal (example: 2% is .02), times
  - (3) The number of days since the beginning of the current policy year, or since the effective date of the most recent policy change amending the Business Personal Property limit, divided by 365.

**Example:**

If: The applicable limit is \$150,000; and

The annual percentage increase is 3%; and

The number of days since the beginning of the policy year (or last policy change) is 146;

Then the amount of increase is:

$$\$150,000 \times .03 \times (146 / 365) = \$1,800.$$

- c. The Automatic Increase percentage for Business Personal Property will be the average annual Index shown in the Declarations. This percentage may change at each renewal date.

In no event will the Limit of Insurance be reduced unless you specifically request us to do so.

**7. Business Personal Property Limit – Seasonal Increase**

- a. Subject to paragraph 7.b., the Limit of Insurance for Business Personal Property is automatically increased by 25% to provide for seasonal variations.
- b. The increase described in paragraph 6.a. will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
  - (1) The 12 months immediately preceding the date the loss or damage occurs; or
  - (2) The period of time you have been in business as of the date the loss or damage occurs.

**D. DEDUCTIBLES**

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section I – Property. If one occurrence results in loss or damage at more than one location, the Deductible will apply separately to loss or damage at each location that has sustained loss or damage.
- 2. With respect to the exterior building glass of the location identified in the Declarations, the most we will deduct from any loss or damage to the exterior building glass in any one occurrence is \$250. The exterior building glass

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deductible of \$250 will be utilized for any loss or damage to the exterior building glass regardless of the deductible amount for the scheduled property shown in the policy Declarations.

But this \$250 deductible will not increase the property deductible shown in the Declarations for the scheduled property. This \$250 deductible is in addition to all other deductibles.

**Example:**

If: The amounts of loss to the damaged property are \$50,000 (building) and \$1,000 (exterior building glass); and

The actual limit of insurance on the damaged property is \$200,000; and

The property deductible shown in the policy declarations is \$1,000.

Based on the example information and the coverage language, the most we will pay for this claim is as follows:

Exterior Glass: \$1,000 (loss amount) - \$250(exterior glass deductible) = \$750 (amount paid for loss).

Building: \$50,000 (loss amount) - \$750 (remaining deductible amount after the exterior glass deductible) = \$49,250 (amount paid for loss).

The most we will pay for this loss is \$50,000 (\$49,250 + \$750). The portion of the total loss that is not covered due to the application of each deductible documented above is \$1,000(\$750 + \$250).

- 3. No deductible applies to the following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Fire Extinguisher Recharge;
  - c. Business Income;
  - d. Extra Expense;
  - e. Civil Authority; and
  - f. Arson Reward for Conviction.

**E. PROPERTY LOSS CONDITIONS**

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If you and we disagree on the amount of loss, an appraisal of the loss may take place. However, an appraisal will take place only if both you and we agree, voluntarily, in writing, to have the amount of loss appraised. In this event, each party will select a competent and impartial appraiser and will advise the other party of the name of such appraiser within 20 days.

The two appraisers will select an umpire. If

appraisers cannot agree upon an umpire within 15 days, either may request that selection be made by a judge, from the county where the loss occurred. The appraisers will state separately the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two of these parties will set the amount of loss. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.
- c. The appraisers and umpire are only authorized to determine the "actual cash value", replacement cost or cost to repair the property that is the subject of the claim. They are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us.

If there is an appraisal, we reserve our right to deny coverage for excluded or non-covered damages.

**3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss of 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. If loss or damage is caused by or results from hail, the loss must be reported to us within 12 months of the loss event. 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. If feasible, set the damaged property aside and in the best possible order for examination. Also 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.



- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, amount of loss claimed and a detailed description of each item.
- (6) As often as may be reasonably required, permit us to inspect the damaged property and examine your books and records, including financial records and tax returns.  
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.
- (9) Resume all or part of your "operations" as quickly as possible.

b. We may examine any insured or their employee under oath, while not in the presence of any other insured or employee, 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. At our option and expense, any examination under oath may be video or audio taped as well as being recorded by stenographic record. If a written transcript is prepared of the testimony, then at our request your answers under oath must be signed under penalty of perjury.

**4. Legal Action Against Us**

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two year after the date on which the direct physical loss or damage occurred.

**5. Loss Payment**

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
  - (1) Pay the value of lost or damaged property as described

in e. below;

- (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.
- 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, provided you have complied with all of the conditions set forth in paragraph 3. above.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. Except as provided in (2) through (9) below, we will determine the value of Covered Property as follows:
- (1) At replacement cost without deduction for depreciation, subject to the following:
    - (a) We will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts, subject to E.5.b. above:
      - (i) The Limit of Insurance under this policy that applies to the lost or damaged property;
      - (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
        - i. Of comparable material and quality; and
        - ii. Used for the same purpose; or
      - (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost is limited to

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- the cost which would have been incurred had the building been built at the original premises.
- (b) You may make a claim for loss or damage covered by this insurance on an "actual cash value" basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an "actual cash value" basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
  - (c) We will not pay on a replacement cost basis for any loss or damage: Until the lost or damaged property is actually repaired or replaced; and
    - (i) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

HOWEVER, if your loss qualifies for payment on a replacement cost basis and the cost of repair or replacement is \$5,000 or less, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation.

- (2) If the "Actual Cash Value – Buildings" option applies, as shown in the Declarations, paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at "actual cash value".
- (3) The following property at "actual cash value":
  - (a) Used or second-hand merchandise held in storage or for sale;
  - (b) Property of others, other than leased personal property you have a contractual responsibility to insure, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;
  - (c) Household contents, except personal property in apartments or rooms

- furnished by you as landlord;
  - (d) Manuscripts; and
  - (e) Works of art, antiques or rare articles, including but not limited to etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
  - (5) Tenants' Improvements and Betterments at:
    - (a) Replacement cost if you make repairs promptly.
    - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
      - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
      - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (c) Nothing if others pay for repairs or replacement.
  - (6) Applicable only to Money and Securities Additional Coverage, and Employee Dishonesty Optional Coverage:
    - (a) "Money" at its face value and in general circulation; and
    - (b) "Securities" at their value at the close of business on the day the loss is discovered.



- (7) Applicable only to Accounts Receivable:
  - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
    - (i) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
    - (ii) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
    - (iii) The following will be deducted from the total amount of accounts receivable, however that amount is established: The amount of the accounts for which there is no loss or damage;
    - (iv) The amount of the accounts that you are able to reestablish or collect;
    - (v) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (vi) All unearned interest and service charges.
  - (8) "Stock" you have sold but not delivered at the selling price less expenses you otherwise would have had.
  - (9) Business Income and Extra Expense:
    - (a) We will determine the amount of a "business income" loss based on:
      - (i) The net income of your business before the direct physical loss or damage occurred;
      - (ii) The likely net income of your business if no physical loss

- or damage occurred, but not including any likely increase in net income attributable to an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (iii) 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
- (iv) Other relevant sources of information, including:
  - i. Financial records and accounting procedures;
  - ii. Bills, invoices and other vouchers; and
  - iii. Deeds, liens and contracts.
- (b) We will determine the amount of "extra expense" based on:
  - (i) 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 occurred. The following will be deducted from the total of such expenses:
    - i. The remaining salvage value of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - ii. Any "extra

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- iii. expense" that is paid for by other insurance;
    - (ii) All necessary expenses that reduce the "business income" loss that otherwise would have been incurred.
- f. Our payment for loss of or damage to property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- g. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy; and
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.
- i. 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 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.

**6. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property.

We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

HOWEVER if, at the time of loss, the amount of loss or damage to your property exceeded our Limit of Insurance and your property in excess of the Limit of Insurance was turned over to us, you retain your rights to recovery on such uninsured property. We will return to you a portion of any recovery on that property based upon the proportion of the loss in excess of our Limit of Insurance bears to the total loss.

**7. Resumption Of Operations**

We will reduce the amount of your:

- a. Loss payable under Business Income Additional Coverage, 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.
- b. Loss payable under Extra Expense Additional Coverage to the extent you can return "operations" to normal and discontinue such "extra expense".

**8. Vacancy**

**a. Description Of Terms**

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
  - (a) When this policy is issued to a tenant, and with respect to that tenant'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 sub-lessee and used by the lessee or sub-lessee 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, including damage that is caused by or resulting from freezing;
  - (e) Theft; or
  - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in paragraphs (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**F. PROPERTY GENERAL CONDITIONS**

The following conditions apply in addition to the COMMON POLICY CONDITIONS.

**1. Control Of Property If any person other than you has control of your property after a loss, a breach of these conditions by such a person, beyond your**

**direction or control, will not be considered a breach of these conditions by you, and it will not affect this insurance.**

The breach of any condition of this Coverage Form, other than the Concealment, Misrepresentation or Fraud Common Policy Condition, at any one or more locations will not affect coverage at any locations where, at the time of loss or damage, the breach of condition did not exist.

**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 policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this policy at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this policy will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

**3. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**4. Policy Period, Coverage Territory**

Under this form:

- a. We cover loss or damage commencing:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.

**G. OPTIONAL COVERAGES**

If shown as applicable in the Declarations, the following Optional Coverages also apply. These Optional Coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

**1. Employee Dishonesty Optional Coverage**

- a. We will pay for:
  - (1) Direct loss of or damage to Business Personal Property and "money" and "securities";
  - (2) The legal obligation you have because of the theft or unauthorized use of your business credit, debit or charge cards issued to you or registered in your name or the name of your business;
  - (3) Loss resulting from "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" or "securities" from your "transfer account"; or
  - (4) Loss directly related to the use of any computer to fraudulently cause a transfer of covered property from inside the described premises to a person (other than a messenger) or place outside those premises;

resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you, your partner or an officer of a closely held corporation) with the manifest intent to:

- (1) Cause you to sustain loss or damage; and also
- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
  - (a) Any employee; or
  - (b) Any other person or organization.

- b. We will not pay for loss or damage:
  - (1) Resulting from any dishonest or criminal act that you, any of your partners, "members" or any officer of a closely held corporation commit whether acting alone or in collusion with other persons.



- (2) Resulting from any dishonest act committed by any of your employees(except as provided in paragraph a.), "managers" or directors:
  - (a) Whether acting alone or in collusion with other persons; or
  - (b) 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.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
  - (1) Caused by one or more persons; or
  - (2) Involving a single act or series of facts;
 is considered one occurrence.
- e. If any loss is covered:
  - (1) Partly by this insurance; and
  - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
 the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.  
 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 and regardless that previous policies were in effect, whether issued by us, any affiliated company or any other company, this coverage shall not be cumulative from year to year or period to period.
- f. This Employee Dishonesty Optional Coverage is cancelled as to any employee immediately upon discovery by:
  - (1) You; or
  - (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;
 of any dishonest act committed by

- that employee before or after being hired by you.
- g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- h. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
  - (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
  - (1) This Optional Coverage as of its effective date; or
  - (2) The prior insurance had it remained in effect.
- j. With respect to the Employee Dishonesty Optional Coverage in paragraph G.1., employee means:
  - (1) Any natural person:
    - (a) While in your service and for the first 30 days immediately after termination of service unless such termination is due to "theft" or any other dishonest act committed by the "employee";
    - (b) Whom you compensate directly by salary, wages or commissions; and
    - (c) Whom you have the right to direct and control while performing services for you;
  - (2) Any natural person who is furnished temporarily to you;

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