



Community Association Underwriters Agency

Celebrating 25 years of Insurance and Risk Management Service to Community Associations

A Letter to Our Customers and Partners

This year, Community Association Underwriters (CAU) celebrates 25 years of providing Insurance and Risk Management Services to Community Associations.

From the beginning, our outlook has been long term. We remain committed to the community association market. Over the past quarter century we have introduced several innovative coverages designed to provide our customers with the broadest insurance policy in the marketplace. As a result, CAU has become a respected leader in the field of community association insurance providers.

Today, CAU currently insures over 12,000 community associations in 29 states and the District of Columbia.

CAU has reached this milestone because of the continued confidence of our valued community association customers. The trust you've placed in us is something everyone at CAU takes seriously. We will continue to work every day to earn it.

Thank you for choosing Community Association Underwriters to provide your Association with its insurance coverage. We appreciate the opportunity you've given us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lori Long', with a small flourish at the end.

Lori Long
President



Member of the QBE Insurance Group

Condominium Policy

■ Declarations

POLICY PERIOD

FROM: 06/13/2015 TO: 06/13/2016

12:01 A.M. Standard Time at your mailing address

POLICY NUMBER:

CAU218105-4

ANNUAL PREMIUM:

\$62,180.00

NY Fire Insurance Fee:

\$241.69

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

NAMED INSURED

Oceanwoods Condominium

MAILING ADDRESS

**C/O Community Management Associates
P.O. Box 131576
Staten Island, NY 10313**

■ Directory of Declarations

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LONG ISLAND COVERAGE CORP.

Insurance

Long Island Coverage Corp.

P.O. Box 12365

Hauppauge, NY 11788

COUNTERSIGNED

(DATE)

BY

MariAnna Cole

(AUTHORIZED REPRESENTATIVE)



Community Association Underwriters Agency

2 Caufield Place, Newtown, PA 18940

■ Declarations

Coverage is provided for a clubhouse and seventeen two-story frame condominium buildings containing one hundred residential units. The premises is located at 883-891, 893, 900-911, 921-931 (odd), 940-951, 956, 957-965 (odd), 968, 969-980 Patterson Avenue, 645-651 (odd), 653-656, 658-664 (even) Greeley Avenue, 1143-1151 (odd), 1161-1171 (odd), 1181-1187 (odd), 1215-1225 (odd), 1231-1243 (odd) Father Capodanno Blvd, Lincoln Avenue, Staten Island, Richmond County, NY 10301.

INSURANCE TRUSTEE

Property Coverage

■ Declarations

(#) WHERE SHOWN ON THE DECLARATIONS REFERS TO POLICY PAGE NUMBERS

VALUATION (15)

A/C	MEANS ACTUAL COST (15)	G/R/C	MEANS GUARANTEED REPLACEMENT COST (15)
A/C/V	MEANS ACTUAL CASH VALUE (15)	I/R/C	MEANS INCREASED REPLACEMENT COST (15)
A/L/S	MEANS ACTUAL LOSS SUSTAINED (15)	M/V	MEANS MARKET VALUE (16)
A/V	MEANS APPRAISED VALUE (16)	R/C	MEANS REPLACEMENT COST (15)
F/V	MEANS FACE VALUE (16)		

PROPERTY DIRECT COVERAGES DECLARATIONS

COVERAGE	LIMIT OF INSURANCE	VALUATION	DEDUCTIBLE
BUILDINGS AND STRUCTURES (1) BUILDINGS (1)	Guaranteed Replacement Cost	G/R/C	\$2,500
STRUCTURES (1)	Guaranteed Replacement Cost	G/R/C	\$2,500
"UNITS" (1) ORIGINAL SPECIFICATIONS (1)	Guaranteed Replacement Cost	G/R/C	\$2,500
ADDITIONAL INSTALLATIONS (1)	NONE		
COMMUNITY PERSONAL PROPERTY (1)	Guaranteed Replacement Cost	G/R/C	\$2,500
STRUCTURAL GLASS AND SIGNS (2)	Guaranteed Replacement Cost	G/R/C	\$1,000
BRIDGES, BULKHEADS, DOCKS, PIERS, RETAINING WALLS, WHARVES (2)	\$10,000	R/C	\$500
SATELLITE DISHES AND ANTENNAS (2)	\$10,000	R/C	\$500
NATURAL PROPERTY (2) Maximum per tree, plant, shrub or lawn	\$10,000 \$500	R/C R/C	\$0 \$0
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY (2)			
NEWLY ACQUIRED BUILDINGS AND STRUCTURES (2)	\$250,000	R/C	\$2,500
NEWLY CONSTRUCTED BUILDINGS AND STRUCTURES (2)	\$250,000	R/C	\$2,500

Property Coverage

■ Declarations

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VALUATION (15)

A/C	MEANS ACTUAL COST (15)	G/R/C	MEANS GUARANTEED REPLACEMENT COST (15)
A/C/V	MEANS ACTUAL CASH VALUE (15)	I/R/C	MEANS INCREASED REPLACEMENT COST (15)
A/L/S	MEANS ACTUAL LOSS SUSTAINED (15)	M/V	MEANS MARKET VALUE (16)
A/V	MEANS APPRAISED VALUE (16)	R/C	MEANS REPLACEMENT COST (15)
F/V	MEANS FACE VALUE (16)		

PROPERTY DIRECT COVERAGES DECLARATIONS

COVERAGE	LIMIT OF INSURANCE	VALUATION	DEDUCTIBLE
NEWLY ACQUIRED COMMUNITY PERSONAL PROPERTY (2)	\$250,000	R/C	\$2,500
"MONEY" AND "SECURITIES" (2)	\$15,000	F/V, M/V	\$0
COMPUTER EQUIPMENT, "MEDIA" AND SUPPLIES (3)	\$25,000	R/C	\$500
PAPERS, RECEIVABLES AND RECORDS (3)	\$10,000	A/C	\$0
"FINE ARTS" (3)	\$15,000	A/V	\$500
"PERSONAL EFFECTS" (3)			
Per Person	\$5,000	A/C/V	\$0
Per Occurrence	\$15,000	A/C/V	\$0
PERSONAL PROPERTY OF OTHERS (3)			
Per Person	\$5,000	A/C/V	\$0
Per Occurrence	\$15,000	A/C/V	\$0
ELEVATOR COLLISION (3)	\$100,000	R/C	\$0
OFF "PREMISES" (3)	\$25,000	R/C	\$2,500
IN TRANSIT (3)	\$25,000	R/C	\$2,500
"RATABLE LIMIT" (56)	\$23,800,000		

Property Coverage

■ Declarations

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A/C/V	MEANS ACTUAL CASH VALUE (15)	I/R/C	MEANS INCREASED REPLACEMENT COST (15)
A/L/S	MEANS ACTUAL LOSS SUSTAINED (15)	M/V	MEANS MARKET VALUE (16)
A/V	MEANS APPRAISED VALUE (16)	R/C	MEANS REPLACEMENT COST (15)
F/V	MEANS FACE VALUE (16)		

PROPERTY CONSEQUENTIAL COVERAGE DECLARATIONS

COVERAGE	LIMIT OF INSURANCE	VALUATION	DEDUCTIBLE
MAINTENANCE FEES AND ASSESSMENTS (4)	FULL	A/L/S	\$0
COMMUNITY INCOME (4)	FULL	A/L/S	\$0
EXTRA EXPENSE (4)	FULL	A/C	\$0
ACCOUNTS RECEIVABLE EXPENSES (4)	FULL	A/L/S	\$0
"MEDIA" COSTS (4)	\$25,000	A/C	\$0
"VALUABLE PAPERS AND RECORDS" COSTS (4)	\$25,000	A/C	\$0
ORDINANCE OR LAW COVERAGE (4)			
COVERAGE FOR LOSS TO THE UNDAMAGED PORTION OF THE BUILDING (5)	Guaranteed Replacement Cost	G/R/C	\$2,500
DEMOLITION COST COVERAGE (5)	\$250,000	A/C	\$2,500
INCREASED COST OF CONSTRUCTION COVERAGE (5)	\$250,000	I/R/C	\$2,500
INCREASED PERIOD OF RESTORATION COVERAGE (5)	FULL	A/L/S, A/C	\$0
REMOVAL COVERAGES (5)			
DEBRIS REMOVAL (5)	\$250,000	A/C	\$0
PROPERTY REMOVAL (5)	\$250,000	R/C	\$0
REMOVAL OF FALLEN TREES (5)	\$10,000	R/C	\$0
Maximum per tree, plant, shrub or lawn	\$500	R/C	\$0

Property Coverage

■ Declarations

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F/V	MEANS FACE VALUE (16)		

PROPERTY ADDITIONAL CAUSES OF LOSS COVERAGE DECLARATIONS

COVERAGE	LIMIT OF INSURANCE	VALUATION	DEDUCTIBLE
WORLDWIDE CRIME COVERAGES (10)			
“EMPLOYEE DISHONESTY” (10)	\$100,000	A/L/S	\$0
“COMPUTER FRAUD” (10)	\$50,000	A/C	\$0
“DEPOSITORS FORGERY” (11)	\$50,000	A/C	\$0

PROPERTY SUPPLEMENTARY PAYMENTS DECLARATIONS

COVERAGE	LIMIT OF INSURANCE	VALUATION	DEDUCTIBLE
ARSON, VANDALISM, AND DELIBERATE AND MALICIOUS ACTS REWARD (11)	\$5,000	10% of Paid Claim	\$0
FIRE DEPARTMENT SERVICE CHARGES (11)	\$10,000	A/C	\$0
FIRE EXTINGUISHER RECHARGE (11)	\$1,000	A/C	\$0
“POLLUTANT” CLEAN UP AND REMOVAL (11)	\$25,000 Per 12 month Period	A/C	\$0

EARTHQUAKE AND “VOLCANIC ERUPTION” DECLARATIONS

(#) WHERE SHOWN ON THE DECLARATIONS REFERS TO EARTHQUAKE AND “VOLCANIC ERUPTION” COVERAGE PART PAGE NUMBERS

COVERAGE	LIMIT OF INSURANCE	VALUATION	DEDUCTIBLE
EARTHQUAKE AND “VOLCANIC ERUPTION” (1)	No Coverage		

Liability Coverage

■ Declarations

(#) WHERE SHOWN ON THE DECLARATIONS REFERS TO POLICY PAGE NUMBERS

COVERAGE		LIMIT OF INSURANCE	TYPE OF LIMIT
"BODILY INJURY" AND "PROPERTY DAMAGE" (20)		\$3,000,000	"OCCURRENCE"
"PERSONAL INJURY" AND "ADVERTISING INJURY" (20)		\$3,000,000	"OFFENSE"
"HIRED AUTO" AND "NONOWNED AUTO" (20)		\$3,000,000	"OCCURRENCE"
PROPERTY DAMAGE LEGAL LIABILITY - REAL PROPERTY (21)		\$1,000,000	"OCCURRENCE"
GARAGE AND PARKING AREA LEGAL LIABILITY (21)	DEDUCTIBLE		
Comprehensive Coverage (21)	\$500	\$25,000	"OCCURRENCE"
Collision Coverage (21)	\$500	\$25,000	"OCCURRENCE"
MEDICAL PAYMENTS (21)		\$5,000	"OCCURRENCE"
PRODUCTS/COMPLETED OPERATIONS (36)		\$3,000,000	AGGREGATE
"EMPLOYERS LIABILITY" (36) Coverage is provided on excess basis only		\$3,000,000	AGGREGATE

SCHEDULE OF "UNDERLYING INSURANCE"

UNDERLYING INSURER	EFFECTIVE DATES	POLICY NUMBER	LIMITS OF INSURANCE
"EMPLOYERS LIABILITY"			Bodily Injury by Accident Each Accident Bodily Injury by Disease Policy Limit Each Employee
"AUTO"			Bodily Injury Each Person Each Accident
"OWNED AUTO"			Property Damage
"HIRED AUTO"			Each Accident
"NONOWNED AUTO"			Combined Single Limit Each Accident
OTHER			General Aggregate Products - Completed Operations Aggregate Personal and Advertising Injury Each Occurrence

Directors & Officers Liability Coverage

■ Declarations

(#) WHERE SHOWN ON THE DECLARATIONS REFERS TO POLICY PAGE NUMBERS

THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE

COVERAGE	LIMIT OF INSURANCE
ERRORS AND OMISSIONS INSURANCE (38)	
EACH "LOSS" (38)	\$3,000,000
EACH "POLICY YEAR" (42)	\$3,000,000
EACH DIRECTOR OR OFFICERS RETAINED LIMIT (42)	\$100 (each loss)
AGGREGATE RETAINED LIMIT	\$1,000 (each loss)
COINSURANCE PERCENTAGE	0.1% of first \$1,000,000 in paid claim

RETROACTIVE DATE (38)

This insurance does not apply to "loss" from "wrongful acts" which took place before the Retroactive Date, if any, shown below:

RETROACTIVE DATE:

NONE

(Enter Date or "None" if no Retroactive Date applies)

OPTIONAL EXTENDED REPORTING PERIOD (42)

The premium for the Optional Extended Reporting Period is: **\$1,082**

SEE FORM CAU 1280 FOR IMPORTANT CLAIMS MADE COVERAGE NOTICE

Environmental Impairment Liability Coverage

■ Declarations

(#) WHERE SHOWN ON THE DECLARATIONS REFERS TO ENVIRONMENTAL IMPAIRMENT LIABILITY COVERAGE PART PAGE NUMBERS

THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE

COVERAGE

LIMIT OF INSURANCE

ENVIRONMENTAL IMPAIRMENT LIABILITY INSURANCE (1)

EACH "LOSS" (7)	\$500,000
EACH "POLICY YEAR" (6)	\$500,000
RETAINED LIMIT (4) (Applicable to each "loss")	\$5,000

RETROACTIVE DATE (5)

This insurance does not apply to "loss" which takes place before the Retroactive Date, if any, shown below:

RETROACTIVE DATE: NONE

(Enter Date or "None" if no Retroactive Date applies)

OPTIONAL EXTENDED REPORTING PERIOD: one year from the expiration date of the "policy period" (4)

The premium for the Optional Extended Reporting Period is: **\$348**

OTHER SCHEDULES & ENDORSEMENTS:

SEE FORM CAU 1280 FOR IMPORTANT CLAIMS MADE COVERAGE NOTICE

NOTICE

Any emergency arising out of "pollution conditions" covered by this Coverage Part should be reported immediately to the On Call 24 hour hotline at 1-800-823-7351, administered by XL Specialty Claims, a division of the XL Insurance companies.

■ Declarations

(#) WHERE SHOWN ON THE DECLARATIONS REFERS TO POLICY PAGE NUMBERS

FORM NUMBER	FORM TITLE	EDITION DATE
CAU 1000	Condominium Policy	07/01
CAU 1101	Signature Page	12/12
CAU 1130	Employee Dishonesty - Property Manager	07/01
CAU 1144	Windstorm or Hail Deductible - 1%	07/01
CAU 1180	Property Manager Directors and Officers	07/01
CAU 1233	New York Changes - Amendatory Endorsement	04/14
CAU 1262	New York - Tax District Lien	07/01
CAU 1266	New York Changes - Transfer of Duties When a Limit of Insurance is Used Up	07/01
CAU 1280	New York Changes - Claims Made Notice	10/07
CAU 1750	"Fungus," Wet Rot and Dry Rot Coverage	06/06
CAU 1801	Excess Mold Coverage - New York	06/06
CAU 1930	Cap on Losses from "Certified Acts of Terrorism"	01/15
CAU 1985	Disclosure Pursuant to Terrorism Risk Insurance Act	01/15
CAU 1999	Exclusion of Certain Computer Related Losses	07/01
CAU 2200	Environmental Impairment Liability Coverage Part	07/01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This signature page replaces the Signature Page which is a part of the following policies:

- CAU 1000 – Condominium Association Insurance Policy
- CAU 1010 – Cooperative Apartment Insurance Policy
- CAU 1020 – Homeowners Association Insurance Policy
- CAU 1030 – Office Condominium Association Insurance Policy

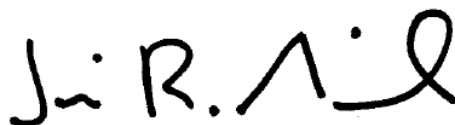
SIGNATURE PAGE

YOUR COMPLETE POLICY CONSISTS OF THE POLICY JACKET WITH THE COVERAGE FORM, DECLARATIONS AND ENDORSEMENTS, IF ANY.

In Witness Whereof, QBE Insurance Corporation has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of QBE Insurance Corporation.



Bob James
President



Jose Ramon Gonzalez
Secretary

QBE INSURANCE CORPORATION
A Stock Company

Home Office
c/o CT Corporation System
116 Pine Street, Suite 320
Harrisburg, Pennsylvania 17101

Administrative Office
88 Pine Street
Wall Street Plaza
New York, New York 10005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ **Employee Dishonesty - Property Manager**

This endorsement modifies insurance provided by the Property Coverage Part of the following:

CONDOMINIUM POLICY
COOPERATIVE APARTMENT POLICY
HOMEOWNERS ASSOCIATION POLICY
OFFICE CONDOMINIUM POLICY

Definition 15. "Covered Employee" (PROPERTY) of XXVIII. DEFINITIONS SECTION is replaced by:

15. **"Covered Employee"** (PROPERTY) means:

- a. Any natural person:
 - (1) While in your service (and for 30 days after termination of service); and
 - (2) Whom you compensate directly by salary, wages or commissions; and
 - (3) Whom you have the right to direct and control while performing services for you; or
- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you. However, any such person is excluded while having care and custody of property outside the "premises."
- c. Any natural person who is a duly elected or appointed director, trustee, officer, committee volunteer or member, whether salaried or not, and any other person acting on behalf or at the direction of an officer or board of directors of your Association with the exception of the developer when acting in a capacity as the developer.
- d. Any natural person or any organization while acting as your real estate manager.

But covered employee does not include any employee, director, officer, board member, or real estate manager immediately upon discovery by you or any of your officers and directors not in collusion with the employee, director, officer, board member, or real estate manager of any dishonest act committed by that employee, director, officer, board member, or real estate manager, whether before or after being hired or appointed by you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ **Windstorm or Hail Percentage Deductible**

This endorsement modifies insurance provided by the Property Coverage Part of the following:

CONDOMINIUM POLICY
COOPERATIVE APARTMENT POLICY
HOMEOWNERS ASSOCIATION POLICY
OFFICE CONDOMINIUM POLICY

VI. PROPERTY CONDITIONS SECTION, K. DEDUCTIBLE, is amended to include the following windstorm or hail deductible:

The deductible indicated below will be deducted from the amount of all loss or damage in any one "occurrence" which is caused by or results from windstorm or hail, unless the applicable deductible in the "Declarations" is larger.

The WINDSTORM OR HAIL DEDUCTIBLE applicable is:

- 1 % Deductible
1 % of the replacement cost of the "covered property."

- 2 % Deductible
2 % of the replacement cost of the "covered property."

- Other % Deductible
0 % of the replacement cost of the "covered property."

HOWEVER, THE MAXIMUM DEDUCTIBLE WILL NOT BE MORE THAN \$238,000

The WINDSTORM OR HAIL DEDUCTIBLE applies separately to each building, community personal property at each building and community personal property in the open.

The following additional exclusion is added to III.B. EXCLUSIONS, 1.:

WINDSTORM EXTERIOR PAINT AND WATERPROOFING

If loss or damage to "covered property" is caused by or results from windstorm, we will not pay for loss or damage to paint or waterproofing material applied to the exterior of buildings. We will not include the value of paint or waterproofing material to determine the amount of the deductible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ **Property Manager Directors and Officers**

This endorsement modifies insurance provided by the Directors and Officers Liability Coverage Part under the following:

CONDOMINIUM POLICY
COOPERATIVE APARTMENT POLICY
HOMEOWNERS ASSOCIATION POLICY
OFFICE CONDOMINIUM POLICY

The following is added to A., XXIII. DIRECTORS AND OFFICERS LIABILITY WHO IS AN INSURED SECTION:

Any person or organization acting as real estate property manager for the Named Insured while performing real estate management duties for the Named Insured, but only with respect to liability for "wrongful acts" committed at the express direction of the Named Insured. However, your real estate property manager is not an insured for claims or "suits" brought against them by you.

B.2. under XXIII. DIRECTORS AND OFFICERS LIABILITY WHO IS AN INSURED SECTION is hereby deleted.

■ New York Changes - Amendatory Endorsement

This endorsement modifies insurance provided under the following:

CONDOMINIUM POLICY
COOPERATIVE APARTMENT POLICY
HOMEOWNERS ASSOCIATION POLICY
OFFICE CONDOMINIUM POLICY

A. VI. PROPERTY CONDITIONS SECTION is amended as follows:

(i) A. CONCEALMENT, MISREPRESENTATION OR FRAUD is deleted and replaced by the following:

We will not provide coverage in any case of fraud by you as it relates to this Property Coverage Part at any time. Also, we will not provide coverage if you, or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. The Property Coverage Part;
2. The "covered property";
3. Your interest in the "covered property"; or
4. A claim under this Property Coverage Part

Under this condition you also means any officer, director, or trustee when acting on your behalf.

(ii) The following is added to N. APPRAISAL:

3. If you or we fail to proceed with the appraisal of a covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select an appraiser and notify the other of the appraiser selected within 20 days of such order.

(iii) The following condition is added:

V. ANTI-ARSON REQUIREMENTS

When the property is subject to the Anti-Arson Application in accordance with New York Department of Financial Services Regulation No. 96, the following provisions are added:

1. Unless you return the completed, signed and affirmed anti-arson application to us or our broker or agent within 45 days of the effective date of the policy, we will cancel the policy by giving written notice to you and to the mortgage holder shown in the "Declarations" in accordance with subsection (b) of section 3426 of the Insurance Law.
2. If you fail to return the completed, signed and affirmed anti-arson application to us before the expiration date of the policy, we will not renew the policy in accordance with section 3426(c)(1)(G) of the Insurance Law.

If the notice in 1. or 2. above is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

B. X. GENERAL LIABILITY DEFENSE OF CLAIM OR "SUIT" SECTION is amended as follows:

(i) The following sentence is deleted:

We will have the right and duty to defend any claim or "suit" seeking damages payable under VII. GENERAL LIABILITY COVERAGES SECTION.

(ii) The deleted sentence is replaced by the following:

We will have the right and duty to defend any claim or "suit" seeking damages payable under VII. GENERAL LIABILITY COVERAGES SECTION, even if the allegations of the "suit" are groundless, false or fraudulent.

C. The following paragraphs are added to XI. GENERAL LIABILITY EXCLUSIONS SECTION, O. "EMPLOYERS LIABILITY" and X. INJURY

RELATING TO “NONOWNED AUTO” AND “HIRED AUTO”:

This exclusion does not apply to “bodily injury” to the spouse, child, parent, brother or sister of that “employee” as a consequence of the first subparagraph 1. of this exclusion.

But this exclusion does not apply to domestic employees not entitled to workers’ compensation benefits or to liability assumed by the insured under an “insured contract.”

D. XIII. GENERAL LIABILITY CONDITIONS SECTION is amended as follows:

(i) The following sentence under B.YOUR DUTIES IN THE EVENT OF “OCCURRENCE,” “OFFENSE,” CLAIM OR “SUIT”, 1. is deleted:

You must see to it that we are notified promptly of an “occurrence” or an “offense” which may result in a claim to which this insurance applies.

(ii) The deleted sentence above is replaced by the following:

You must see to it that we are notified as soon as reasonably possible of an “occurrence” or an “offense” which may result in a claim to which this insurance applies.

(iii) The following is added to B.YOUR DUTIES IN THE EVENT OF “OCCURRENCE,” “OFFENSE,” CLAIM OR “SUIT”:

5. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

E. The following is added to XIV. EXCESS LIABILITY COVERAGE SECTION:

D. Notwithstanding anything to the contrary in this policy, the insurance coverage afforded by this policy as respects operations in New York State shall conform to the requirements of the applicable New York State Insurance Laws and the applicable New York State Department of Financial Services regulations. However, the limit of liability provided by this coverage section shall be excess of the limit of liability of any underlying insurance or self-insurance as stated in the “Declarations” or any endorsements attached thereto.

E. This insurance does not provide “Employers Liability” coverage for “employees” that are subject to New York Workers Compensation Law.

F. XV. EXCESS LIABILITY DEFENSE OF CLAIM OR “SUIT” SECTION is amended as follows:

(i) The following sentence under Subsection A. is deleted:

We will have the right to participate in the defense of claims or “suits” against the insured seeking damages because of “bodily injury,” “property damage,” “personal injury” or “advertising injury” to which this insurance may apply.

(ii) The deleted sentence above is replaced by the following:

We will have the right to participate in the defense of claims or “suits” against the insured seeking damages because of “bodily injury,” “property damage,” “personal injury” or “advertising injury,” to which this insurance may apply, even if the allegations of the “suit” are groundless, false or fraudulent.

(iii) Subsection G. is deleted and replaced by the following:

Our right and duty to defend ends when we have used up the limit of insurance available in the payment of judgments or settlements under XIV. EXCESS LIABILITY COVERAGE SECTION.

G. XVIII. EXCESS LIABILITY CONDITIONS SECTION, B.YOUR DUTIES IN THE EVENT OF “OCCURRENCE,” “OFFENSE,” CLAIM OR “SUIT” is amended as follows:

(i) The following sentence under Subsection 1. is deleted:

You must see to it that we are notified promptly of an “occurrence” or an “offense” which may result in a claim to which this insurance applies.

(ii) The deleted sentence above, is replaced by the following:

You must see to it that we are notified as soon as reasonably possible of an “occurrence” or an “offense” which may result in a claim to which this insurance applies.

(iii) The following is added:

4. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured

person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

H. The following paragraph is added to XIX.

LIABILITY LIMITS OF INSURANCE SECTION:

However, if an extension is required under the provisions of the New York Insurance Law as the result of the use by us of an alternative renewal notice, or your having been provided with a late conditional renewal notice, or late nonrenewal notice, coverages subject to an “aggregate limit” of insurance will have no new annual aggregate created, except that the annual “aggregate limit” of the applicable expiring policy coverages will be increased in proportion to the required policy extension.

I. XX. LIABILITY CONDITIONS SECTION, A.

PREMIUM AUDIT, 2. is deleted and replaced by the following:

2. If the premium for this Liability Coverage Part is subject to audit, within 180 days after the expiration of the policy, we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured as soon as practicable.

J. The following is added to XX. LIABILITY CONDITIONS SECTION:

E. LEGAL ACTION AGAINST US

1. Except as provided in paragraph 3. no person or organization has a right under this Liability Coverage Part:
 - a. To join us as a party or otherwise bring us into a “suit” against any insured; or
 - b. To sue us on this Liability Coverage Part unless all of its terms have been fully complied with.
2. A person or organization may sue us to recover on an “agreed settlement” or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Liability Coverage Part or that are in excess of the applicable limit of insurance.

3. With respect to all claims, if we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or non-admission of liability is based on the failure to provide timely notice.

However the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an insured:

- a. Brings an action to declare the rights of the parties under the policy; and
- b. Names the injured person, someone acting for the injured person or other claimant as party to the action.

K. The following condition is added to XX. LIABILITY CONDITIONS SECTION and supersedes any provision to the contrary:

Failure to give notice to us as required under the Liability Coverage Part shall not invalidate any claim made by the insured, injured person or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and the notice was given as soon as was reasonably possible thereafter.

L. XXI. DIRECTORS AND OFFICERS LIABILITY COVERAGES SECTION, A. ERRORS AND OMISSIONS INSURANCE, 2. is deleted and replaced as follows:

2. Reported to us during the “policy period,” a subsequent renewal of this Directors and Officers Liability Coverage Part or any extended reporting period in accordance with XXVI.C. REPORTING AND NOTICE; or

M. The following sentence under XXII. DIRECTORS AND OFFICERS LIABILITY EXCLUSIONS SECTION, D. DISCRIMINATION is deleted:

However, this exclusion does not apply to the “defense costs” provided under XXI.B. DEFENSE AND

PAYMENT, 1. and 2., Your consent to settlement shall not be unreasonably withheld.

N. XXIV. DIRECTORS AND OFFICERS LIABILITY LIMITS OF INSURANCE SECTION is amended as follows:

(i) A. LIMITS OF INSURANCE ARE SUBJECT TO THE FOLLOWING, 4. is deleted and replaced by the following:

4. Retained Limit

- a. The each directors or officers retained limit, as stated in the "Declarations," shall be deducted from the amount of each "loss" payable on behalf of each director or officer to which this insurance applies.
- b. The aggregate retained limit, as stated in the "Declarations," shall be deducted from the total amount payable for each "loss" on behalf of all directors or officers to which this insurance applies.
- c. We will be liable only for damages in excess of such retentions up to the applicable limits of insurance. We may pay any part or all of any retained limit to settle a claim or "suit" and you agree to promptly reimburse us for such part of the retention paid by us.

(ii) The following is added to A. LIMITS OF INSURANCE ARE SUBJECT TO THE FOLLOWING, 3.:

However, if such extension is required under the provisions of the New York Insurance Law as the result of the use by us of an alternative renewal notice, or your having been provided with a late conditional renewal notice, or late nonrenewal notice, no new annual aggregate will be created, except that the annual aggregate limit of the expiring policy will be increased in proportion to the required policy extension.

(iii) The following is added to A. LIMITS OF INSURANCE ARE SUBJECT TO THE FOLLOWING:

6. The coinsurance percentage, as stated in the "Declarations," applies to the total amount payable for all "loss" in excess of the total applicable retained limits (as described in 4. above) up to the each "loss" limit. The insured shall pay that percentage of such amount payable and we will pay the remainder

of such amount until the total paid by us reaches the limit of insurance applicable to each "loss."

O. XXV. DIRECTORS AND OFFICERS LIABILITY EXTENDED REPORTING PERIOD SECTION is amended as follows:

(i) A. AUTOMATIC EXTENDED REPORTING PERIOD, 2. is deleted and replaced by the following:

The insurance provided by the Automatic Extended Reporting Period is excess over any other valid and collectible insurance.

(ii) B. OPTIONAL EXTENDED REPORTING PERIOD, 4. is deleted and replaced by the following:

4. We will issue that Endorsement if the first Named Insured shown in the "Declarations" makes a written request to us for it which we receive within the greater of:

- a. 60 days after the date of "termination of coverage"; or
- b. 30 days from the date of mailing of the Extended Reporting Period notice provided for in 4. above.

(iii) The following is added to B. OPTIONAL EXTENDED REPORTING PERIOD:

6. Availability to Natural Persons Insured

- a. An Optional Extended Reporting Period, as described above, will be available to any person who has been an insured under this Directors and Officers Liability Coverage Part in the event of any "termination of coverage" if the Named Insured has been placed in liquidation or bankruptcy or permanently ceases operations and does not purchase, or have purchased for it by its designated trustee, Optional Extended Reporting Period Endorsement.
- b. An Optional Extended Reporting Period as described in this provision will be available only if such person requests the Optional Extended Reporting Period Endorsement within one hundred twenty (120) days of the "termination of coverage."

- c. We will have no obligation to provide notice to any such person of the availability of the Optional Extended Reporting Period Endorsement described in this provision.
- d. We may charge the person for whom the Optional Extended Reporting Period Endorsement is provided a premium commensurate with the exposure.

(iv) C. EXTENDED REPORTING PERIOD CONDITIONS, 2. is deleted and replaced by the following:

- 2. The Extended Reporting Periods shall provide an additional “policy year” limit for the extended reporting period which is at least the equal of the greater of:
 - a. The amount of coverage remaining in the prior “policy year” limit; or
 - b. 50 percent of the prior “policy year” limit.

However, if claims made coverage has been provided for at least the three prior consecutive years the “policy year” limit shall be equal to the prior “policy year” limit.

P. XXVI. DIRECTORS AND OFFICERS LIABILITY CONDITIONS SECTION is amended as follows:

(i) A. LEGAL ACTION AGAINST US, 2. is deleted and replaced by the following:

- 2. A person or organization may sue us to recover on an “agreed settlement” or on a final judgment against an insured; but we will not be liable for “loss” or “defense costs” that are not payable under the terms of this Directors and Officers Liability Coverage Part or that are in excess of the applicable limit of insurance.

(ii) The following is added to D. OTHER DUTIES IN THE EVENT OF “WRONGFUL ACT,” “CLAIM,” OR “SUIT”:

- 6. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

Q. XXVII. COMMON POLICY CONDITIONS SECTION is amended as follows:

(i) A. CANCELLATION 2. and 3. are deleted and replaced by the following:

2.a. CANCELLATION FOR POLICIES IN EFFECT 60 DAYS OR LESS

We may cancel this policy by mailing or delivering to the first Named Insured shown in the “Declarations” written notice of cancellation at least:

- (1) 30 days before the effective date of cancellation if we cancel for any reason not included in (2) below.
- (2) 15 days before the effective date of cancellation if we cancel for any of the following reasons:
 - (a) Nonpayment of premium
 - (b) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (c) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
 - (d) After issuance of the policy, or after the last renewal or anniversary date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current policy period;
 - (e) Material physical change in the property insured, occurring after issuance or last renewal or anniversary date of the policy, that results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, that causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

- (f) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interests of our policyholders, our creditors or the public;
- (g) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or
- (h) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason you may make a written request to the Department of Financial Services, within 10 days of receipt of this notice, to review our cancellation decision.

2.b. CANCELLATION OF POLICIES IN EFFECT FOR MORE THAN 60 DAYS

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel this policy only for any of the reasons listed in a.(2) above provided we mail the first Named Insured shown in the "Declarations" a notice of cancellation at least 15 days before the effective date of cancellation.

- 3. We will mail or deliver our notice including the reason for cancellation to the first Named Insured shown in the "Declarations" at the address shown in the policy and the authorized agent or broker.

(ii) The following is added to A. CANCELLATION:

- 7. If one of the reasons for cancellation in paragraphs 2.a.(2) above exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

(iii) B. NONRENEWAL is deleted and replaced by the following:

B. NONRENEWAL AND CONDITIONAL RENEWAL

1. NONRENEWAL

If we decide not to renew this policy we will send notice as provided in 3. below along with the reason for nonrenewal.

2. CONDITIONAL RENEWAL

If we condition renewal of this policy upon:

- a. Change of limits;
- b. Change in type of coverage;
- c. Reduction of coverage;
- d. Increased deductible;
- e. Addition of exclusion;
- f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in 3. below.

3. NOTICES OF NONRENEWAL AND CONDITIONAL RENEWAL

- a. If we decide not to renew this policy or to conditionally renew this policy as provided in B. 1. and 2. above, we will mail or deliver written notice to the first Named Insured shown in the "Declarations" at least 60 but not more than 120 days before:
 - (1) The policy expiration date; or
 - (2) The anniversary date if this is a continuous policy; or
 - (3) The anniversary dates if the policy is written for a term longer than one year.
- b. Notice will be mailed or delivered to the first Named Insured shown in the "Declarations" at the address shown in the policy and the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

- (1) If we fail to provide nonrenewal or conditional renewal notice in accordance with provisions 1., 2., and 3.a. above, the following applies:
 - (a) the policy will renew with the same terms and conditions at the lower of the current rates or the prior period's rates until the earlier of the following:
 - (i) 60 days after the date of mailing or delivery of the notice; or
 - (ii) the effective date of replacement coverage obtained by the first named insured
 - b. Decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion; or
 - c. Any change in coverage which is not favorable to you.

However if the first Named Insured shown in the "Declarations" elects to renew the policy on the basis of such conditional renewal notice, the expiring policy terms, conditions and rates shall apply until the expiration of the 60 day notice period. If such conditional renewal notice was provided at least 30 days prior to the expiration or anniversary date of the policy, all terms conditions and rates set forth in the conditional renewal notice shall apply as of the renewal or anniversary date.

- c. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker, or another insurer of yours mails or delivers notice that the policy has been replaced or no longer desired.

R. The "Loading or unloading" definition under XXVIII. DEFINITIONS SECTION, 38. is deleted.

S. The "Termination of coverage" definition under XXVIII. DEFINITIONS SECTION, 80. is deleted and replaced by:

80. "Termination of coverage" (DIRECTORS & OFFICERS) means by you or us any:

- a. Cancellation or nonrenewal of the DIRECTORS AND OFFICERS LIABILITY COVERAGE PART;

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ **New York Changes - Tax District Lien**

This endorsement modifies insurance provided under the Property Coverage Part of the following:

CONDOMINIUM POLICY
COOPERATIVE APARTMENT POLICY
HOMEOWNERS ASSOCIATION POLICY
OFFICE CONDOMINIUM POLICY

The following provisions apply to the Property Coverage Part Only:

If this policy covers the interest of the owner of any of the following types of buildings or structures:

1. Residential (except 1 or 2 family buildings or structures);
2. Commercial; or
3. Industrial;

the following provision applies:

Before payment to you for loss or damage to the above buildings or structures caused by or resulting from fire, we will:

1. Deduct from your payment the claim of any tax district that issues a certificate of lien in accordance with the Insurance Law; and
2. Pay directly to the tax district the amount of the claim.

When we pay that claim, we will have no obligation to pay the amount of that claim to you. Our payment of that claim within 30 days of our receipt of the certificate of lien will be a conclusive presumption that the claim was valid and properly paid.

■ New York Changes - Transfer of Duties When a Limit of Insurance is Used Up

This endorsement modifies insurance provided under the Liability Coverage Part of the following:

CONDOMINIUM POLICY
COOPERATIVE APARTMENT POLICY
HOMEOWNERS ASSOCIATION POLICY
OFFICE CONDOMINIUM POLICY

The following is added to XX. LIABILITY CONDITIONS SECTION

E. TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP

1. If we conclude that, based on "occurrences," "offenses," claims or "suits" which have been reported to us and to which this insurance may apply, the:
 - a. "BODILY INJURY" AND "PROPERTY DAMAGE" limit;
 - b. "PERSONAL INJURY" AND "ADVERTISING INJURY" limit;
 - c. PRODUCTS/COMPLETED OPERATIONS "aggregate limit";
 - d. PROPERTY DAMAGE LEGAL LIABILITY - REAL PROPERTY limit

is likely to be used up in the payment of judgments or settlements, we will notify the named insured, in writing, to that effect.

2. When a limit of insurance described in 1. above has actually been used up in the payment of judgments or settlements:
 - a. We will notify the named insured, in writing, as soon as practicable, that:
 - (1) Such a limit has actually been used up; and
 - (2) Our duty to defend "suits" seeking damages subject to that limit has also ended.
 - b. We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits."

We agree to take such steps, as we deem appropriate to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

- c. The named insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

3. The named insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph 2.b. above.

The duty of the named insured to reimburse us will begin on:

- a. The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph 1. above; or
- b. The date on which we sent notice in accordance with paragraph 2.a. above, if we did not send notice in accordance with paragraph 1. above.

4. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

■ New York Changes - Claims Made Notice

IMPORTANT CLAIMS MADE COVERAGE NOTICE

The Coverage Parts for Directors and Officers Liability, Employee Benefits Liability and Environmental Impairment Liability Coverages apply on a claims-made basis.

- I. The following provides a general description of the Directors and Officers Liability and Employee Benefits Liability coverages and is subject to the terms and provisions of the actual Coverage Part.
- A. The Coverage Part will not apply to any “losses” from “wrongful acts” which take place before the Retroactive Date, if any, or after the expiration of the “policy period.”
- B. The Coverage Part will apply to “losses” from “wrongful acts” which take place after the Retroactive Date, if any, but before the beginning of the “policy period” **only if** the insured did not know of the “wrongful act” before the beginning of the “policy period” **and if the “wrongful act” is reported** according to D. below.
- C. The Coverage Part will not apply to any claim for a “wrongful act” reported after the expiration of the “policy period” or any Automatic or Optional Extended Reporting Period described in the Extended Reporting Section of the Coverage Part.
- D. The Coverage Part will apply only to claims for “wrongful acts” which are:
1. Reported during the “policy period”; or
 2. During the ninety day Automatic Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Part; or
 3. During the three year Optional Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Part.

Within thirty days after “termination of coverage”, the Company shall advise the insured in writing of the Automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage. Such Optional Extended Reporting Period must be requested by the insured in writing, within sixty days of the “termination of coverage” or thirty days from the date of mailing of the company’s notice to the insured of costs for and provisions of Extended Reporting Periods, in order to allow claims for “wrongful acts” to be reported after the expiration of any Automatic Extended Reporting Period.

- E. No coverage will be provided by this Coverage Part for claims for “wrongful acts” reported after the expiration of the three year Optional Extended Reporting Period. Unless any replacement coverage you purchase provides coverage for prior acts (with a retroactive date no later than the date of expiration of the Extended Reporting Period of this policy) this could leave a gap in your coverage.
- F. For the first three years of claims-made coverage, the premium will be comparatively lower than for occurrence coverage, and will increase for each renewal of those policies. Claims- made prices will

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still be somewhat lower than occurrence prices for mature accounts (in their fourth or later years). The purchase of Optional Extended Reporting Periods, as described above, requires additional premium payments.

- II. The following provides a general description of the Environmental Impairment Liability coverage and is subject to the terms and provisions of the actual Coverage Part.
- A. The Coverage Part will not apply to any “losses” from “wrongful acts” which take place before the Retroactive Date, if any, or after the expiration of the “policy period.”
 - B. The Coverage Part will apply to “losses” from “wrongful acts” which take place after the Retroactive Date, if any, but before the beginning of the “policy period” **only if** the insured did not know of the “wrongful act” before the beginning of the “policy period” **and if the “wrongful act” is reported** according to D. below.
 - C. The Coverage Part will not apply to any claim for a “wrongful act” reported after the expiration of the “policy period” or any Automatic or Optional Extended Reporting Period described in the Extended Reporting Section of the Coverage Part.
 - D. The Coverage Part will apply only to claims for “wrongful acts” which are:
 - 1. Reported during the “policy period”; or
 - 2. During the sixty day Automatic Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Part; or
 - 3. During the one year Optional Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Part.

Within thirty days after “termination of coverage”, the Company shall advise the insured in writing of the Automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage. Such Optional Extended Reporting Period must be requested by the insured in writing, within sixty days of the “termination of coverage” or thirty days from the date of mailing of the company’s notice to the insured of costs for and provisions of Extended Reporting Periods, in order to allow claims for “wrongful acts” to be reported after the expiration of any Automatic Extended Reporting Period.

- E. No coverage will be provided by this Coverage Part for claims for “wrongful acts” reported after the expiration of the one year Optional Extended Reporting Period. Unless any replacement coverage you purchase provides coverage for prior acts (with a retroactive date no later than the date of expiration of the Extended Reporting Period of this policy) this could leave a gap in your coverage.
- F. For the first three years of claims-made coverage, the premium will be comparatively lower than for occurrence coverage, and will increase for each renewal of those policies. Claims-made prices will still be somewhat lower than occurrence prices for mature accounts (in their fourth or later years). The purchase of Optional Extended Reporting Periods, as described above, requires additional premium payments.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ **"Fungus," Wet Rot and Dry Rot Coverage**

This endorsement modifies insurance provided by the Property Coverage Part of the following:

CONDOMINIUM ASSOCIATION INSURANCE POLICY
COOPERATIVE APARTMENT INSURANCE POLICY
HOMEOWNERS ASSOCIATION INSURANCE POLICY
OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

A. The following is added to III.B. EXCLUSIONS, 1.:

g. "FUNGUS," WET ROT AND DRY ROT

Presence, growth, proliferation, spread, or any activity of "fungus" or wet or dry rot.

However, if "fungus" or wet or dry rot results in a "specified cause of loss," we will pay for the loss or damage caused by that "specified cause of loss."

However, this exclusion does not apply when "fungus" or wet or dry rot results from fire or lightning.

Except as provided under IV.C. "FUNGUS," WET ROT AND DRY ROT COVERAGE.

B. III.B. EXCLUSIONS, 2. is amended as follows:

The following exclusion is added:

g. NEGLIGENCE OF AN INSURED

Neglect of an insured or anyone acting on your behalf and under your instructions to use all reasonable means to save and preserve property from further damage at and after the time of loss.

C. The following is added to IV. PROPERTY ADDITIONAL COVERED CAUSES OF LOSS SECTION:

C. "FUNGUS," WET ROT AND DRY ROT COVERAGE

1. We will pay for loss or damage by "fungus" or wet or dry rot which means:
 - a. Immediate, direct, physical loss or damage to "covered property" caused by "fungus" or wet or dry rot, including the cost of removal of the "fungus" or wet or dry rot. But, only when the "fungus" or wet or dry rot is the immediate result of a COVERED CAUSE OF LOSS other than fire or lightning;
 - b. The cost to tear out and replace any real property, whether or not damaged, as needed to gain access to the "fungus" or wet 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 "fungus" or wet or dry rot is present.

However, the coverage described above shall only apply when you have ownership, maintenance and repair responsibility for that portion of the premises.

2. The following provisions a. and b. apply only if II.A. MAINTENANCE FEES, II.B. COMMUNITY INCOME and II.C. EXTRA EXPENSE coverages apply and only if the suspension of operations is otherwise covered. In either case, the longest "period of restoration" we will pay for is a total of 30 days, which 30 days need not be consecutive:

- a. If the COVERED CAUSE OF LOSS that results in "fungus" or wet or dry rot does not in and of itself necessitate a suspension of operations, but such suspension is necessary due to loss or damage caused by "fungus" or wet or dry rot, or,
 - b. If the suspension of operations is caused by loss or damage other than "fungus" or wet or dry rot, but remediation of "fungus" or wet or dry rot prolongs the "period of restoration."
3. Provisions 1. and 2. above, apply only if all reasonable means are used to save and preserve the property from further reasonably foreseeable damage at the time of and after that "occurrence".
 4. We will pay only for loss or damage which is reported to us as soon as practical after the earlier of:
 - a. the time of its actual discovery; or,
 - b. the time it should have been discovered with the exercise of diligence reasonable for the circumstances.
 5. After the commencement of an "occurrence" described in 1.a. of this endorsement, you, anyone acting on your behalf and any "unit" owner or shareholder may not in any way delay or obstruct our efforts at detecting or remediating "fungus" or wet or dry rot, or the circumstances creating any of it. We will not pay for any additional loss, damage or suspension which would not have occurred otherwise, whether or not such loss, damage or suspension is limited to "fungus", wet rot or dry rot.
 6. The coverage provided under this endorsement does not increase the applicable limit of insurance on any "covered property." If a particular "occurrence" results in loss or damage by "fungus" or wet 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 "fungus" or wet or dry rot, loss payment will not be limited by the terms of this endorsement except to the extent that "fungus" or wet or dry rot causes an increase in the loss. Any such increase in loss will be subject to the terms of this endorsement.

D. The following definition is added to XXVIII. DEFINITIONS:

"Fungus" (PROPERTY) means any type or form of fungus or bacteria, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi or bacteria.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ **EXCESS MOLD COVERAGE - NEW YORK**

This endorsement modifies insurance provided by the Liability Coverage Part of the following:

CONDOMINIUM ASSOCIATION INSURANCE POLICY
COOPERATIVE APARTMENT INSURANCE POLICY
HOMEOWNERS ASSOCIATION INSURANCE POLICY
OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

A. The following is added to XI. GENERAL LIABILITY EXCLUSIONS SECTION, I. ROT, MOLD AND MILDEW OR OTHER FUNGI:

However, this exclusion does not apply to “bodily injury” occurring on any portion of the premises not reserved for the exclusive use or occupancy of any “unit” owner or any shareholder, sustained by any person other than:

1. An insured as defined in XII. GENERAL LIABILITY WHO IS AN INSURED SECTION;
2. A tenant; or,
3. Any party which has, at any time provided any commercial services related to rot, mold, mildew or other fungi or the effects of any of them, including such services as the following: abating; testing; monitoring; cleaning; removing; containing; treating; detoxifying; neutralizing; remediating; disposing; responding; or, assessing.

B. With exclusive regard to this endorsement, XIII. GENERAL LIABILITY CONDITIONS SECTION, F. OTHER INSURANCE is deleted and replaced by the following:

OTHER INSURANCE

1. This insurance will be excess over any other valid insurance whether primary, excess, contingent or any other basis.
2. Other Insurance will also include any insurance required by law whether or not any insured is in compliance with any such law.
3. Other insurance will be deemed valid regardless of:
 - a. Any defense available to or asserted by any other insurer because of any insured’s failure to comply with the terms of that insurance; or,
 - b. The inability, due to bankruptcy or insolvency, of any other insurer to pay for a loss.
4. The following provisions apply only when this insurance is excess over other insurance:
 - a. We will pay only our share of the amount of any judgment or settlement that exceeds the sum of:
 1. The total amount that all such other insurance would pay for the same judgment or settlement in the absence of this insurance; and,
 2. The total of all deductible and self insured amounts under all such other insurance.
 - b. We will have the right to participate in any defense provided by any other insurance.
 - c. We will have the duty to defend, but only when:
 1. All other insurance has been exhausted by payments for judgments or settlements; and,
 2. All defense provided by other insurance has terminated except for reasons described in B.3.a., above.
 - d. We will pay only those “defense costs” we incur directly.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ **Cap on Losses from “Certified Acts of Terrorism”**

This endorsement modifies insurance provided by the following policies:

CONDOMINIUM ASSOCIATION INSURANCE POLICY
COOPERATIVE APARTMENT INSURANCE POLICY
HOMEOWNERS ASSOCIATION INSURANCE POLICY
OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

A. The following is applicable to the PROPERTY COVERAGE PART:

1. CAP ON CERTIFIED TERRORISM LOSSES

With respect to any one or more “certified acts of terrorism” under the federal Terrorism Risk Insurance Act we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

2. APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Property Coverage Part, such as losses excluded by the III.B.1.d. NUCLEAR HAZARD exclusion, III.B.1.e. “WAR” AND MILITARY ACTION exclusion or III.B.2.e. POLLUTION exclusion.

B. The following is applicable to the LIABILITY COVERAGE PART, DIRECTORS AND OFFICERS LIABILITY COVERAGE PART, EMPLOYEE BENEFITS LIABILITY COVERAGE PART and ENVIRONMENTAL IMPAIRMENT LIABILITY COVERAGE PART:

1. CAP ON CERTIFIED TERRORISM LOSSES

With respect to any one or more “certified acts of terrorism” under the federal Terrorism Risk Insurance Act, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

2. APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under these Coverage Parts, such as losses excluded by the “WAR” exclusion, HOSTILE ACTS exclusion, NUCLEAR ENERGY exclusion, NUCLEAR HAZARD exclusion or the POLLUTION exclusion.

C. The following definition is added to XXVIII. DEFINITIONS SECTION:

“Certified act of terrorism” (PROPERTY, LIABILITY, DIRECTORS AND OFFICERS LIABILITY, EMPLOYEE BENEFITS LIABILITY, and ENVIRONMENTAL IMPAIRMENT LIABILITY) means an act that is certified by the Secretary of the Treasury in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in that Act for a “certified act of terrorism” include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- D.** 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.

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

This endorsement modifies insurance provided by the following policies:

CONDOMINIUM ASSOCIATION INSURANCE POLICY
COOPERATIVE APARTMENT INSURANCE POLICY
HOMEOWNERS ASSOCIATION INSURANCE POLICY
OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

This policy includes coverage for Certified Acts of Terrorism. Please refer to the applicable charge below.

SCHEDULE

	<u>PREMIUM</u>
Terrorism (<u>Certified Acts</u>)	\$1,811
Federal share of terrorism losses <u>85%</u> Year <u>2015</u>	
Federal share of terrorism losses <u>84%</u> Year <u>2016</u>	

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 that 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 the Schedule above, 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.

D. ADDITIONAL OR RETURN PREMIUM

The premium for "certified acts of terrorism" coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act. The federal program established by the Act is scheduled to terminate December 31, 2020, unless extended by the federal government. If the federal program terminates or if the level or terms of federal participation change, the estimated premium shown in the Schedule may not be appropriate.

If this policy contains a Conditional Exclusion, continuation of coverage for “certified acts of terrorism”, or termination of such coverage, will be determined upon disposition of the federal program, subject to the terms and conditions of the Conditional Exclusion. If this policy does not contain a Conditional Exclusion, coverage for “certified acts of terrorism” will continue. In either case, when disposition of the federal program is determined, we will recalculate the premium shown in the Schedule and will charge additional premium or refund excess premium, if indicated.

If we notify you of an additional premium charge, the additional premium will be due as specified in such notice.

■ **Exclusion of Certain Computer Related Losses**

This endorsement modifies insurance provided by the following policies:

CONDOMINIUM POLICY
COOPERATIVE APARTMENT POLICY
HOMEOWNERS ASSOCIATION POLICY
OFFICE CONDOMINIUM POLICY

(i) The following is added to III. PROPERTY CAUSES OF LOSS, EXCLUSIONS AND LIMITATIONS SECTION, B. EXCLUSIONS:

A. We will not pay for loss or damage caused directly or indirectly by the following:

1. The failure, malfunction or inadequacy of:

a. Any of the following, whether belonging to any insured or to others:

- (1) Computer hardware, including microprocessors;
- (2) Computer application software;
- (3) Computer operating systems and related software;
- (4) Computer networks;
- (5) Microprocessors (computer chips) not part of any computer system; or
- (6) Any other computerized or electronic equipment or components; or

b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. above;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A.1. above.

Loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

B. If an excluded Cause of Loss as described in Paragraph A. above results in a "Specified Cause of Loss" we will pay only for the loss or damage caused by such "Specified Cause of Loss".

C. We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. above to correct any deficiencies or change any features.

(ii) The following is added to XI. GENERAL LIABILITY EXCLUSIONS SECTION and XVI. EXCESS LIABILITY EXCLUSIONS SECTION:

This insurance does not apply to "bodily injury", "property damage" or "personal injury" and "advertising injury" arising directly or indirectly out of:

1. Any actual or alleged failure, malfunction or inadequacy of:
 - a. Any of the following, whether belonging to any insured or to others:
 - (1) Computer hardware, including microprocessors;
 - (2) Computer application software;
 - (3) Computer operating systems and related software;
 - (4) Computer networks;
 - (5) Microprocessors (computer chips) not part of any computer system; or
 - (6) Any other computerized or electronic equipment or components; or
 - b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 1.a. above;
- due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times.
2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph 1. above.

(iii) The following is added to XXII. DIRECTORS AND OFFICERS LIABILITY EXCLUSIONS SECTION:

This insurance does not apply to any claim or "suit" arising directly or indirectly out of:

1. Any actual or alleged failure, malfunction or inadequacy of:
 - a. Any of the following, whether belonging to any insured or to others:
 - (1) Computer hardware, including microprocessors;
 - (2) Computer application software;
 - (3) Computer operating systems and related software;
 - (4) Computer networks;
 - (5) Microprocessors (computer chips) not part of any computer system; or
 - (6) Any other computerized or electronic equipment or components; or
 - b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 1.a. above;
- due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times.
2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph 1. above.

Environmental Impairment Liability Coverage Part

Claims Made

Throughout this policy, the words, "you" and "your" refer to the named insured shown in the "Declarations". "we", "us" and "our" refer to the company providing this insurance. Other words and phrases that appear in quotation marks have special meanings. Refer to XXVIII. DEFINITIONS SECTION of the policy.

The word "insured" means any person or organization qualifying as such under III. ENVIRONMENTAL IMPAIRMENT LIABILITY WHO IS AN INSURED SECTION.

This Environmental Impairment Liability Coverage Part along with XXVII. COMMON POLICY CONDITIONS SECTION and XXVIII. DEFINITIONS SECTION of the policy contain all our obligations regarding this coverage. We have no other obligation unless the policy, that this Environmental Impairment Liability Coverage Part is part of, is amended accordingly.

I. ENVIRONMENTAL IMPAIRMENT LIABILITY COVERAGE SECTION

A. ENVIRONMENTAL IMPAIRMENT LIABILITY

We shall pay on behalf of the insured for "loss" such insured becomes legally obligated to pay as the result of "claims" first made against the insured during the "policy period". Insurance is provided by this Environmental Impairment Liability Coverage Part for any "claim" made or brought in the "coverage territory" and:

1. Arising out of "pollution conditions" on, at, under or emanating from the location(s) stated in the "Declarations"; and,
2. Reported to us in accordance with VI.C. ENVIRONMENTAL IMPAIRMENT LIABILITY CONDITIONS SECTION; and,
3. Reported to us during the "policy period" or extended reporting period, if exercised, in accordance with V. ENVIRONMENTAL LIABILITY EXTENDED REPORTING PERIOD SECTION.

B. DEFENSE AND PAYMENT

1. Even if the allegations are groundless, false or fraudulent, we will have the right and duty to defend against any "claim" or "suit".
2. "Defense costs" are subject to the following:
 - a. We may investigate any "claim" or "suit" at our discretion.
 - b. Our right and duty to defend ends when we have used up the limit of insurance in the payment of "loss".
 - c. Subject to I.B.3., we may, at our option, give you our consent to defend any "claim" or "suit".

d. Subject to I.B.3., no "defense costs" will be incurred or settlements made without our consent, which will not be unreasonably withheld. We will not be liable for any settlements or "defense costs" to which we have not consented in writing.

3. Subject to the following, if the limits of insurance stated in the "Declarations" has been or soon will be exhausted, we will transfer to you control of any existing defense:

a. We will notify you in writing as soon as reasonably possible. We will advise you that our duty to defend either has terminated or is about to terminate subject to the payment of the limit of insurance. We will advise you that we will no longer handle the defense of any "claim" reported to us after the date we provide this notice.

b. We will take immediate and appropriate steps to transfer control to you of any existing defense at the time of or prior to exhaustion of the limit of insurance. You will agree to reimburse us for any reasonable costs we incur in connection with the transfer of the defense.

c. We will take appropriate steps necessary to defend the "claim" during the transfer of the defense and to attempt to avoid any unfavorable legal action provided that the insured cooperates with the transfer.

d. The exhaustion of the limit of insurance by the payment of "loss" will not be

Environmental Impairment Liability Coverage Part

Claims Made

affected by our failure to comply with any of the provisions of this section.

"insured contract(s)", if any, stated in the "Insured Contracts" Schedule.

II. ENVIRONMENTAL IMPAIRMENT LIABILITY EXCLUSIONS SECTION

This insurance does not apply to "loss" arising out of any of the following:

A. KNOWN CONDITIONS

"Pollution conditions" existing prior to the inception of this policy that are known to any insured and that were not disclosed to us in writing in the application or related materials prior to the inception of this policy.

B. MULTIPLE DAMAGES/FINES/PENALTIES

Civil, administrative or criminal fines or penalties, assessments, punitive, exemplary or multiplied damages. However, this exclusion does not apply to punitive, exemplary or multiplied damages where insurance coverage is allowable by law.

C. "EMPLOYERS LIABILITY" "Bodily injury" to:

1. An "employee" of the insured arising out of and in the course of:
 - a. Employment by the insured; or
 - b. Performing duties related to the conduct of the insured's business; or
2. The spouse, child, parent, brother or sister of that "employee" as a consequence of subparagraph 1. above.

This exclusion applies:

1. Whether the insured may be liable as an employer or in any other capacity; and,
2. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

D. WORKERS' COMPENSATION AND SIMILAR LAWS

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

E. CONTRACTUAL LIABILITY

Liability of others assumed by any insured under any contract or agreement unless the liability would exist in the absence of a contract or agreement. This exclusion does not apply to

F. INSURED'S PROPERTY/BAILEE LIABILITY

"Property damage" to property owned, leased or operated by or in the care, custody or control of any insured, even if such "property damage" is incurred to avoid or mitigate "loss" which may be covered under this policy.

G. VEHICLES

The ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft, rolling stock or all transportation, including any cargo carried thereby, beyond the legal boundaries of locations shown in the "Declarations".

H. DIVESTED PROPERTY

"Pollution conditions" on, at, under or emanating from the locations shown in the "Declarations" where the actual discharge, dispersal, release, seepage, migration or escape of "pollution conditions" begins subsequent to the time such locations are sold, given away or abandoned by the first named insured or condemned.

I. NUCLEAR HAZARD

1. Under any liability coverage, to "bodily injury", "property damage" or "remediation expense":
 - a. With respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of limits of liability; or,
 - b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - (1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amendment to that Act; or,
 - (2) The insured is or, had this policy not been issued, would be entitled to

Environmental Impairment Liability Coverage Part

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indemnity from the United States of America or any of its agencies under any agreement entered into by the United States of America or any of its agencies with any person or organization.

2. Under any liability coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

a. The "nuclear material":

- (1) Is at any "nuclear facility" owned by or operated by or on behalf of an insured; or,
- (2) Has been discharged or dispersed from such facility; or,

b. The "nuclear material" is contained in the "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or,

c. The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility". However, if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion, II. H.2.C. applies only to "property damage" to such "nuclear facility" and any property on its premises.

J. PRODUCTS LIABILITY

Goods or products manufactured, sold, handled, distributed, altered or repaired by the insured or by others trading under the insured's name including, with regard to such goods or products, any container, any failure to warn and any reliance on a representation or warranty made at any time. However, this exclusion applies only if the "pollution conditions" occur away from the locations owned, operated or leased by the insured and after physical possession of such has been relinquished to others.

K. INTENTIONAL ACTS

"Pollution conditions" that result from intentional noncompliance by any insured with any statute, regulation, ordinance, administrative complaint, notice, letter or instruction by any governmental agency or representative.

L. HOSTILE ACTS

Any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether or not war be declared), civil war, rebellion, revolution or insurrection.

M. ROT, MOLD, MILDEW OR OTHER FUNGI

Based upon or arising out of the exposure to, required removal or abatement of rot, mold, or mildew or other fungi, regardless of whether such rot, mold, or mildew or other fungi, ensues from any cause or condition or, at, under or emanating from or to the "premises," including but not limited to any such cause or condition involving the presence, discharge or infiltration of moisture, vapor, water or any other liquid, or any damage related to any of these.

N. UNDERGROUND STORAGE TANKS

The past or current existence of any underground storage tank (USTs) and associated piping on, at or under any location listed in the Location Schedule, but only if the existence of the UST is known to any insured. This exclusion does not apply to any UST described in the Underground Storage Tanks and Associated Piping Schedule.

O. "UNITS" AND PRIVATE STORAGE AREAS

"Pollution conditions" in, at or emanating from "units" or private storage areas regardless of where the "bodily injury" or "property damage" occurs.

However, this exclusion does not apply to the "defense costs" provided under I.B.2. DEFENSE AND PAYMENT.

III. ENVIRONMENTAL IMPAIRMENT LIABILITY WHO IS AN INSURED SECTION

A. Each of the following is an insured:

1. You and any "subsidiary" named in the "Declarations";
2. Any person who has been, now is or shall become a duly elected or appointed director or trustee, a duly elected or appointed officer, an "employee", or committee member,

Environmental Impairment Liability Coverage Part

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whether or not salaried, and any of your members acting at the direction of your board of directors on your behalf in a voluntary capacity;

3. The estate of any insured in 2. above who is deceased; and
4. Legal representatives or assigns of any insured in 1. or 2. above who is insolvent, incompetent or bankrupt.
5. Any person, other than your "employee", or any organization while acting as your real estate manager.

B. None of the following is an insured:

Your builder, developer or sponsor or any person or organization affiliated with your builder, developer or sponsor in any capacity.

IV. ENVIRONMENTAL IMPAIRMENT LIABILITY LIMITS OF INSURANCE SECTION

A. The limits of insurance shown in the "Declarations" and the provisions of this section determine the most we will pay for damages regardless of the number of:

1. insureds and additional insureds;
2. "claims" made or "suits" brought; or
3. persons or organizations making "claims" or bringing "suits".

B. LIMITS OF INSURANCE ARE SUBJECT TO THE FOLLOWING:

1. The each "policy year" limit is the most we will pay for all damages because of "loss" covered by this Environmental Impairment Liability Coverage Part.
2. Subject to 1. above:
 - a. the each "loss" limit is the most we will pay for damages because of all "loss" arising out of the same or related "pollution conditions" at any one location; and,
 - b. all "loss" from one or more "claims" arising out of the same or related "pollution conditions" and reported to us, in writing, over more than one "policy period" shall be considered a single "loss". Such "loss"

will be subject to the limits of insurance in effect at the time of the first reported "pollution conditions" will apply.

3. The insured's retained limit in effect at the time the "claim" is first reported shall be deducted from the amount of each "loss". You must bear the retained limit and you are not permitted to insure it without our written consent.
4. We shall pay for "loss" only in excess of such retained limit up to the applicable limits of insurance. We may pay any part or all of the insured's retained limit to settle a "claim" or "suit" and you agree to promptly reimburse us for the part of the retained limit paid by us.

V. ENVIRONMENTAL IMPAIRMENT LIABILITY EXTENDED REPORTING PERIOD SECTION

We will provide an Automatic Extended Reporting Period as described in V.A. below and, if you purchase it, an Optional Extended Reporting Period described in V.B. in the event of any "termination of coverage".

A. AUTOMATIC EXTENDED REPORTING PERIOD

1. The Automatic Extended Reporting Period starts at the end of the "policy period" and lasts for 60 days. This extension is subject to the other provisions of this policy and applies to "claims" first made against the insured during the 60 days immediately following the end of the "policy period".
2. The Automatic Extended Reporting Period is provided without additional charge.
3. The Automatic Extended Reporting Period applies only if no subsequent insurance you purchase applies to the claim, or would apply but for the exhaustion of its limit of insurance.
4. The Automatic Extended Reporting Period may not be canceled.

B. OPTIONAL EXTENDED REPORTING PERIOD

1. If you purchase the Optional Extended Reporting Period, it will start immediately at the end of the "policy period", whether the policy is cancelled or nonrenewed by either you or us. The Automatic Extended Reporting Period is merged into the Optional Extended

Environmental Impairment Liability Coverage Part

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Reporting Period and is not in addition to this period.

2. The cost for the Optional Extended Reporting Period is shown in the "Declarations." We will notify you in writing, within 30 days of the end of the "policy period", of any provisions of the Optional Extended Reporting Period unless we cancel for nonpayment of premium or fraudulent activities of an insured. You may not construe our quotation of different terms and conditions as a nonrenewal.
3. We will only provide the Optional Extended Reporting Period upon your request, unless the policy is canceled for nonpayment of premium or fraudulent activities of an insured.
4. We will provide the Optional Extended Reporting Period if the first Named Insured makes a written request to us for it which we receive within 30 days after the end of the "policy period".
5. The Optional Extended Reporting Period will not take effect unless the additional premium is paid when due. If that premium is paid when due, the Optional Extended Reporting Period may not be canceled.

C. Extended Reporting Periods are subject to the following conditions:

1. A "claim" first made during the Extended Reporting Period will be deemed to have been made on the last day of the "policy period", provided that the "claim" is for "loss" from "pollution conditions" which took place before the end of the "policy period" but not before any applicable retroactive date.

Extended Reporting Periods do not extend the "policy period" or change the scope of coverage provided.

2. Extended Reporting Periods do not reinstate or increase the limits of liability applicable to any "claim" to which this Environmental Impairment Liability Coverage Part applies.
3. If this Environmental Impairment Liability Coverage Part is canceled and you elect to purchase the Optional Extended Reporting Period Endorsement:

- a. Any return premium due you for the cancellation will be credited to the premium due for the Optional Extended Reporting Period Endorsement; and
- b. Any additional premium due us for the period the policy was in force must be fully paid before any payments can be applied to the premium due for the Optional Extended Reporting Period Endorsement.

VI. ENVIRONMENTAL IMPAIRMENT LIABILITY CONDITIONS SECTION

The Environmental Impairment Liability Coverage Part is subject to the following conditions.

A. LEGAL ACTION AGAINST US

1. No person or organization has a right under this Environmental Impairment Liability Coverage Part:
 - a. To join us as a party or otherwise bring us into a "suit" against any insured; or
 - b. To sue us on this Environmental Impairment Liability Coverage Part unless all of its terms have been fully complied with.
2. A person or organization may sue us to recover on an "agreed settlement" or on a final judgment against an insured obtained after an actual trial; but we will not be liable for "loss" or "defense costs" that are not payable under the terms of this Environmental Impairment Liability Coverage Part or that are in excess of the applicable limit of insurance.

B. BANKRUPTCY

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligation under this Environmental Impairment Liability Coverage Part.

C. DUTIES IN THE EVENT OF "CLAIM" OR "SUIT" **Failure to perform these duties will impair your rights under this Environmental Impairment Liability Coverage Part.**

1. You must see to it that we are notified as soon as practicable of any "loss", "claim" or "suit". To the extent possible, notice should include:

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- a. How, when and where the "loss", "claim" or "suit" came about;
 - b. The names and addresses of any persons involved; and
 - c. The nature of any resulting harm or damages.
2. In the event of oral notification, you agree to furnish a written report as soon as practicable.
 3. If a "claim" is made against or received by an insured, you must:
 - a. Immediately record the specifics of the "claim" and the date received;
 - b. Notify us as soon as practicable; and
 - c. Provide written notice of the "claim".
 4. You and any other involved insured must:
 - a. Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the "claim" or "suit";
 - b. Authorize us to obtain records and other information;
 - c. Cooperate with us in the investigation, settlement, or defense of the "claim" or "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "loss" to which this insurance may apply.
 5. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, admit liability, or incur any expense without our consent. This provision does not apply to emergency response costs. Emergency response costs are any reasonable costs that need to be incurred immediately where any delay in response would cause significant harm to human health or the environment.

constituting part of the Environmental Impairment Liability Coverage Part.

2. The written application for coverage will be construed as a separate application for coverage by each of the insureds.
3. Except with respect to the limits of insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:
 - a. As if each Named Insured were the only Named Insured; and
 - b. Separately to each insured against whom "claim" is made or "suit" is brought.

E. NEWLY CREATED OR ACQUIRED "SUBSIDIARIES"

1. If any "subsidiary", created or acquired by the Named Insured after the inception of this Environmental Impairment Liability Coverage Part, qualifies as a not-for-profit organization under the provision of the Internal Revenue Code and would have been included as an insured under ENVIRONMENTAL IMPAIRMENT LIABILITY WHO IS AN INSURED SECTION, such "subsidiary" will be included subject to:
 - a. The giving of written notice of such creation or acquisition to us as soon as practical, but in no event more than 120 days following such creation or acquisition; and
 - b. The giving of any underwriting information and the payment of any additional premium required by us.
2. If any "subsidiary", created or acquired by the Named Insured after the inception of this policy, does not qualify as a not-for-profit organization under the provisions of the Internal Revenue Code, such "subsidiary" will not be included until the insured has:
 - a. Given written notice of such creation or acquisition together with any underwriting information which may be required; and
 - b. Received written approval from us and paid any additional premium required.

D. REPRESENTATIONS AND SEVERABILITY

1. In granting coverage under this Environmental Impairment Liability Coverage Part to any one of the insureds, we have relied upon the declarations and statements in the written application for coverage. Declarations and statements are the basis of coverage and will be considered as incorporated in and

F. CONSOLIDATION OR MERGER

In the event that the Named Insured acquires by merger, or consolidates with, or is merged into or

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acquired by any other organization after the inception of this policy, immediate written notice thereof will be given to us together with such information as we may require. You will pay any additional premium required by us.

G. OTHER INSURANCE

Subject to IV. ENVIRONMENTAL IMPAIRMENT LIABILITY LIMITS OF INSURANCE SECTION, this insurance will be in excess of the retained limit stated in the "Declarations" and any other valid and collectible insurance available to the insured whether such other insurance is stated to be primary, pro-rata, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the limits of insurance.

VII. ENVIRONMENTAL IMPAIRMENT LIABILITY ADDITIONAL CHANGES

The policy this Environmental Impairment Liability Coverage Part is attached to is changed as follows:

- A. The following defined terms of XXVIII. DEFINITIONS SECTION of the policy are amended to also apply to the Environmental Impairment Liability Coverage Part:
3. "Agreed settlement";
 10. "By-product material";
 19. "Declarations";
 23. "Employee";
 25. "Employers Liability";
 30. "Hazardous properties";
 37. "Leased worker";
 48. "Nuclear facility";
 49. "Nuclear material";
 50. "Nuclear reactor";
 58. "Policy period";
 59. "Policy year";
 60. "Pollutants";
 71. "Source material";
 72. "Special nuclear material";
 74. "Spent fuel";
 75. "Subsidiary(ies)";
 77. "Suit(s)";
 79. "Temporary worker";
 86. "Unit"; and
 91. "Waste".
- B. The following defined terms are added to XXVIII. DEFINITIONS SECTION of the policy:

1. "Bodily Injury" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom, caused by "pollution conditions".
2. "Claims" (ENVIRONMENTAL IMPAIRMENT LIABILITY):
 - a. means the assertion of a legal right alleging liability or responsibility on the part of the insured, arising out of "pollution conditions", and shall include but not be limited to lawsuits or petitions filed against the insured; and,
 - b. includes "remediation expense" resulting from "pollution conditions" which are:
 1. first discovered by any "insured"; and,
 2. reported to us,during the "policy period" or applicable extended reporting period.
3. "Coverage territory" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means the United States and its territories and possessions.
4. "Defense Costs" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means legal costs, charges and expenses, including expert fees, incurred in the investigation, adjustment, settlement and defense of "claims".
5. "Insured Contract(s)" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means any contract designated in the Schedule of "Insured Contracts".
6. "Loss" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means monetary judgment, award or settlement of compensatory damages arising from:
 - a. "bodily injury";
 - b. "property damage";
 - c. "remediation expense"; and,
 - d. "defense costs".
7. "Pollution Conditions" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means the discharge, dispersal, release, migration or escape of smoke, vapors, soot, fumes, acids, alkalis, electromagnetic fields, toxic chemicals,

Claims Made

liquids or gases, waste materials, including medical, infectious and pathological wastes, or other irritants, contaminants or "pollutants" into or upon land or structures, the atmosphere or any watercourse or body of water including groundwater.

8. "Property Damage" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means:
 - a. Physical injury to or destruction of tangible property, including the personal property of third parties, including the loss of use thereof; or,
 - b. Loss of use of such property that has not been physically injured or destroyed; or,
 - c. Diminished third party property value.
9. "Remediation Expense" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment or neutralization of "pollution conditions" to the extent required by any Federal, State or Local Laws, Regulations or Statutes enacted to address "pollution conditions".

However, "remediation expense" does not include any expense incurred for or in connection with the investigation, monitoring, removal, disposal, treatment or neutralization of either lead paint, asbestos or both at any premises you own, operate or occupy.
10. "Termination of coverage" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means cancellation or nonrenewal of the Environmental Impairment Liability Coverage Part by either party.

COMMUNITY ASSOCIATION UNDERWRITERS RENEWAL INVOICE

PRODUCER NAME & ADDRESS

Long Island Coverage Corp.
P.O. Box 12365
Hauppauge, NY 11788

INSURED NAME AND MAILING ADDRESS

Oceanwoods Condominium
C/O Community Management Associates
P.O. Box 131576
Staten Island, NY 10313

S3

ACCOUNT #

4751

POLICY #

CAU218105-4

INSURANCE COMPANY

QBE

LINE OF BUSINESS

CPKGE

INVOICE DATE

06/13/2015

THE INSURED HAS THE OPTION OF PAYING THE POLICY PREMIUM OF \$62,421.69 IN FULL BY 07/13/2015 OR CHOOSING OUR INSTALLMENT PAYMENT PLAN. IF THE INSURED CHOOSES TO BE BILLED IN INSTALLMENTS, A FIRST PAYMENT OF \$20,805.69 IS DUE BY 07/13/2015. THERE WILL BE AN INSTALLMENT CHARGE OF \$7.00 PER INSTALLMENT.

INSTALLMENT SCHEDULE

INSTALLMENT	DUE DATE	INSTALLMENT AMOUNT	INSTALLMENT CHARGE	TOTAL INSTALLMENT
DOWN PAYMENT	07/13/2015	\$20,805.69	\$0.00	\$20,805.69
1.	08/13/2015	\$5,202.00	\$7.00	\$5,209.00
2.	09/13/2015	\$5,202.00	\$7.00	\$5,209.00
3.	10/13/2015	\$5,202.00	\$7.00	\$5,209.00
4.	11/13/2015	\$5,202.00	\$7.00	\$5,209.00
5.	12/13/2015	\$5,202.00	\$7.00	\$5,209.00
6.	01/13/2016	\$5,202.00	\$7.00	\$5,209.00
7.	02/13/2016	\$5,202.00	\$7.00	\$5,209.00
8.	03/13/2016	\$5,202.00	\$7.00	\$5,209.00
		\$62,421.69	\$56.00	\$62,477.69

NOTE: THIS INVOICE DOES NOT REFLECT ANY PAYMENTS ALREADY MADE. THIS INSTALLMENT SCHEDULE IS SUBJECT TO CHANGE IN THE EVENT OF AN ENDORSEMENT OR REVISION TO THE POLICY.

REMINDER: PAYMENT IS DUE WITHIN 30 DAYS OF THE POLICY EFFECTIVE DATE.

PLEASE MAKE CHECKS PAYABLE TO COMMUNITY ASSOCIATION UNDERWRITERS.
REMIT THE TOTAL PREMIUM AMOUNT.

If you have any questions, please call (800) 228-1930.

ACCOUNT #

4751

**QBE
POLICY #**

CAU218105-4

**EFFECTIVE
DATE**

06/13/2015

**EXPIRATION
DATE**

06/13/2016

PREMIUM

\$62,180.00

**STATE
FEE**

\$241.69

**TOTAL
PREMIUM**

\$62,421.69

INSURED NAME AND MAILING ADDRESS

**Oceanwoods Condominium
C/O Community Management Associates
P.O. Box 131576
Staten Island, NY 10313**

PLEASE MAKE CHECK PAYABLE TO:
Community Association Underwriters

PLEASE MAIL CHECK TO:
Community Association Underwriters
P.O. Box 1100
Newtown, PA 18940