

- a. A per loss deductible of at least \$1,500 will be subtracted from each loss. If the per loss deductible, indicated in paragraph 2. of the Declarations for this Section F., coverage is higher than \$1,500, then the higher, indicated deductible will apply. All mysterious disappearance loss under \$1,500 is not insured.
- b. In addition to the deductible, you will participate in each loss. Your participation percentage is 35% of the loss excess of the deductible.
- c. We will pay 65% of the full valuation of each loss as determined in accordance with the Additional Loss conditions of this Section F., the per loss maximum amount, and the Policy Year maximum amount below.
- d. The per loss maximum amount is \$5,000.
- e. The Policy Year maximum amount is \$10,000.
- f. Electronic data and media, loss of income and extra expense are not covered for mysterious disappearance.
- g. The following example illustrates how a mysterious disappearance loss would be adjusted in the event of the simultaneous mysterious disappearance of two computers with an Enhanced Replacement Cost value of \$8,000. This example assumes this loss is the first such loss during the Policy Year.

Enhanced Replacement Cost Valuation	\$8,000
Per Loss Deductible	<u>\$1,500</u>
	\$6,500
	x .65
Our 65% Participation	\$4,225
Your 35% Participation	\$2,275

3. Unnamed Locations

Subject to all other provisions, conditions, limitations and exclusions of this policy we will pay up to \$2,500 per loss for loss or damage to owned or leased electronic data processing equipment and component parts hereof occurring at locations other than those shown in the General Property Declarations. Electronic data and media on such equipment at unnamed locations are covered for a maximum amount of \$1,000 per loss.

C. COVERED CAUSE(S) OF LOSS

Covered Cause(s) of Loss means risks of direct physical loss or damage unless the loss is excluded or limited in Section B. Terms & Conditions – All Property and Related Coverages or

- D. Additional Exclusions & Limitations of this Section F. below.

D. EXCLUSIONS & LIMITATIONS

- 1. All Exclusions & Limitations of Section B, are deleted.
- 2. We will not pay for loss, damage or expense caused by or resulting from:
 - a. Dampness or dryness of atmosphere, extremes of temperature, corrosion or rust, unless such condition(s) directly result from physical damage to the air conditioning system that services the covered computers when such damage was caused by a Covered Cause of Loss.
 - b. Wear and tear, inherent vice, vermin, insects, gradual deterioration, depreciation or obsolescence;
 - c. Actual work upon the property covered, unless fire or explosion ensues, and then only for loss, damage or expense caused by such ensuing fire or explosion;
 - d. Unexplained loss, mysterious disappearance or shortage disclosed upon taking inventory except as covered by B. Additional Coverages, 2. of this Section F.
- 3. Coverage for loss of income or necessary extra expense does not apply when loss is caused by damage to electronic data or media.

E. LIMITS OF COVERAGE

The most we will pay for loss or damage to covered computers in any one occurrence is the Section F. Limit of Coverage shown in the Declarations. The most we will pay for electronic data or media is 30% of the Equipment Limits shown in the Section F. Limits of Coverage, subject to a maximum per loss limit of \$30,000. The most we will pay for loss of income or necessary extra expense is 20% of the Equipment Limit shown in the Section F. Limits of Coverage, subject to a maximum per loss limit of \$20,000.

F. ADDITIONAL LOSS CONDITIONS

1. Computer Equipment Valuation

Paragraph 8. of C. Loss Conditions of Section B does not apply to this Section F. We will determine the value of lost or damaged covered computers in accordance with the valuation methods described below:

- a. Actual Cash Value means the replacement cost of the lost or damaged equipment with other equipment of the same kind quality, capacity and speed, less the physical depreciation of the lost or damaged equipment measured as of the date of loss or damage.
- b. Replacement Cost means the cost to replace the lost or damaged equipment with other equipment of the

same kind, quality, capacity and speed as of the date of the loss or damage. However, if the lost or damaged equipment is not replaced within one hundred and twenty (120) days of the loss or damage we shall not be liable for more than its Actual Cash Value.

- c. Enhanced Replacement Cost means an amount not more than 125% of the Replacement Cost (as defined above) incurred by the insured within 120 days of the loss or damage. Enhanced Replacement Cost represents the cost to purchase replacement equipment that performs all functions the lost or damaged equipment performed, but the replacement equipment may be of a different kind, quality, capacity or speed and perform additional functions. However, if the lost or damaged equipment is not replaced within one hundred and twenty (120) days of the loss or damage, we will not pay more than the lost or damaged equipment's Actual Cash Value.

However, in no event shall we be obligated to pay more than the Section F. Limit of Coverage shown in the General Property Declarations.

2. Electronic Data and Media Valuation

Our payment for loss of or damage to electronic data and media shall not exceed:

- a. As respects information, facts, and similar data, the actual reproduction cost of the lost or damaged information, facts, and similar data, provided it is actually reproduced.
- b. As respects computer programs, software, and all media upon which they are stored, created or used (including but not limited to hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer data and software which are used with electronically controlled equipment), the actual cost to repair or replace the lost or damaged software with material of the same kind and quality.

In no event shall we be obligated to pay more than the Section F. Limit of Coverage shown in the General Property Declarations.

G. ADDITIONAL DEFINITION

Covered computers

1. Covered computers means:

- a. Computer equipment
- b. Electronic data and media.

Covered computers does not include:

- a. Radios, televisions, cellular telephones, heating and refrigeration systems, automobiles, electrical wiring systems of buildings.
- b. Property you own which is rented or leased to others while away from your premises.
- c. Supportive documentation such as flow charts, record formats or narrative descriptions except as they are converted to data form and then only in that form.
- d. Data or media that cannot be replaced with others of the same kind or quality unless covered for a specific amount per item (as per schedule on file with us).

2. Extra expense means necessary expenditures you incur that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause(s) of Loss.
3. Income means the net profit or loss that would have been earned or incurred and the continuing normal operating expenses, including payroll, actually incurred.

SECTION G CRIME INSURANCE

This Section G. applies only if a "Yes" is indicated in the Coverages Provided section of the Policy Declarations and a Limit of Coverage is shown in the Crime Declarations.

A. COVERAGE AGREEMENTS

Coverage is provided under only the Coverage Agreements described below for which a Limit of Coverage is shown in the Crime Declarations.

1. Employee Theft Insurance

We will pay for loss of or damage to money, securities, and other property resulting directly from theft committed by an employee, whether identified or not, acting alone or in collusion with other persons.

2. Forgery or Alteration Insurance

- a. We will pay for loss resulting directly from forgery or alteration of checks, drafts, promissory notes, or

other similar written promises, orders or directions to pay a sum certain in money that are:

- (1) Made or drawn by or drawn upon you; or
 - (2) Made or drawn by one acting as your agent; or that are purported to have been so made or drawn.
- b. If you are sued for refusing to pay any instrument covered under A. Coverage Agreements, 2.a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Forgery or Alteration Limit of Coverage.

3. Theft of Money and Securities Insurance

a. Inside The Premises

- (1) We will pay for loss of money and securities inside your premises or banking premises resulting directly from theft, disappearance or destruction.
- (2) We will pay for loss of or damage to, a locked safe, vault, cash register, cash box or cash drawer located inside your premises resulting directly from an actual or attempted theft of or unlawful entry into those containers.
- (3) We will pay for loss from damage to your premises or its exterior resulting directly from an actual or attempted theft of money and securities if you are the owner of the premises or are liable for damage to it.

b. Outside The Premises

We will pay for loss of money and securities outside your premises in the care and custody of a messenger or an armored motor vehicle company resulting directly from theft, disappearance or destruction.

But, we will pay only for the amount of loss that you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

B. EXCLUSIONS

1. This insurance does not apply to:

a. Acts of Employees, Managers, Directors, Trustees Or Representatives

Except when covered under Coverage Agreement A.1., Employee Theft, loss resulting from theft or any other dishonest act committed by any of your employees, managers, directors, trustees or

authorized representatives whether acting alone or in collusion with other persons.

b. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

c. Indirect Loss

Loss that is an indirect or consequential result of any act or occurrence covered by this insurance including, but not limited to, loss resulting from your inability to realize income that you would have realized had there been no loss, and your legal liability to others, and expenses you incur in establishing either the existence or the amount of loss.

However, this exclusion does not eliminate Employee Theft Insurance applicable to the property of others.

d. Legal Expenses

Expenses related to any legal action, except when covered under Coverage Agreement A.2., Forgery or Alteration.

e. Nuclear

Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination or any related act or incident.

f. War and Similar Actions

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

2. Further, Coverage Agreement A.1., Employee Theft Insurance, does not apply to:

a. Employee Cancelled Under Prior Insurance

Loss caused by any employee of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

b. Inventory Shortage

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

- c. **Trading**
Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
 - d. **Warehouse Receipts**
Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.
3. Further, Coverage Agreement A.3., **Theft of Money and Securities Insurance**, does not apply to:
- a. **Accounting or Arithmetical Errors Or Omissions**
Loss resulting from accounting or arithmetical errors or omissions.
 - b. **Exchanges Or Purchases**
Loss resulting from the giving or surrendering of property in any exchange or purchase.
 - c. **Fire**
Loss resulting from fire, however caused, except:
 - (1) Loss from damage to a safe or vault; and
 - (2) Loss of or damage to **money** and securities.
 - d. **Money Operated Devices**
Loss of property contained in any **money** operated device unless the amount of **money** in it is recorded by a continuous recording instrument in the device.
 - e. **Motor Vehicles Or Equipment And Accessories**
Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.
 - f. **Transfer or Surrender of Property**
 - (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the premises or banking premises:
 - (a) On the basis of unauthorized instructions;
 - (b) As a result of a threat to do bodily harm to any person; or
 - (c) As a result of a threat to do damage to any property.
 - (2) But, this Exclusion 3.f. does not apply under Coverage Agreement 3.b. **Theft of Money** and **Securities Outside The Premises**, to loss of **money**, securities or other property while outside the premises in the care and custody of a messenger if you:
 - (a) Had no knowledge of any threat at the time the conveyance began; or
 - (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. **Vandalism**

Loss from damage to the premises or its exterior, or to any safe, vault, cash register, cash box, cash drawer or other property by vandalism or malicious mischief.

h. **Voluntary Parting of Title To Or Possession Of Property**

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

C. LIMITS OF COVERAGE

1. **Per Occurrence**

The most we will pay for loss in any one occurrence is the applicable per occurrence limit shown in the Crime Declarations.

2. **Policy Year Aggregate**

The Policy Year Annual Aggregate limit shown in the Crime Declarations is the most we will pay in any one Policy Year under this Section G.

3. **Special Limit, Specified Property Under Insuring Agreement A.3. Theft Of Money And Securities, b. Outside The Premises**

We will only pay up to \$5,000 for any one occurrence of loss or damage to:

- a. Precious metals, precious or semiprecious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- b. Manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

D. DEDUCTIBLE

1. We will not pay for loss in any one occurrence unless the amount of loss exceeds the applicable Deductible Amount shown in the Crime Declarations. We will then pay the amount of loss in excess of the

- applicable Deductible Amount, up to the applicable Limit of Coverage.
2. You must give us notice as soon as possible of any loss of the type covered hereunder even though it falls entirely within the Deductible Amount.
 3. In the event more than one Deductible Amount could apply to the same loss, only the highest Deductible Amount may be applied.
 4. The Deductible Amount does not apply to legal expenses paid under Coverage Agreement A.2. Forgery or Alteration, subparagraph b.

E. DEFINITIONS

1. **Banking Premises** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. **Client** means any entity for which you perform services under a written agreement.
3. **Custodian** means you, or any of your partners or members, or any employee while having care and custody of property inside the premises, excluding any person while acting as a watchperson or janitor.
4. **Employee:**
 - a. **Employee** means:
 - (1) Any natural person:
 - (a) While in your service or for 60 days after termination of service;
 - (b) Whom you compensate directly by salary, wages or commissions; and
 - (c) Whom you have the right to direct and control while performing services for you;
 - (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent employee as defined in Paragraph a.(1) of this Definition 4, Employee, above, who is on leave, or;
 - (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises; or
 - (3) Any natural person who is:
 - (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan(s) insured under this insurance; and
- b. **Employee** does not mean:
 - (1) Any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee independent contractor or representative of the same general character; or
 - (2) Any manager, director or trustee except while performing acts coming within the scope of the usual duties of an employee.
5. **Employee Benefit Plan(s)** means any welfare or pension benefit plan shown in the Crime Declarations that is subject to the Employee Retirement Income Security Act of 1974 (ERISA).
6. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature that consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
7. **Funds** means money and securities.
8. **Messenger** means you, or a relative of yours, or any of your partners, or members, or any employee while having care and custody of property outside the premises.
9. **Money** means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
10. **Occurrence** means:
 - a. As respects Coverage Agreement A.1., Employee Theft Insurance, all loss caused by, or involving, one or more employees, whether the result of a single act or series of acts.
 - b. As respects Coverage Agreement A.2., Forgery or Alteration Insurance, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
 - c. As respects Coverage Agreement A.3., Theft of Money and Securities Insurance:
 - (1) An act or series of related acts involving one or more persons; or

- (2) An act or event, or a series of related acts or events not involving any person.
- 11. **Other Property** means any tangible property other than money and securities that has intrinsic value but does not include any property excluded under this insurance.
- 12. **Premises** means the interior of that portion of any building you occupy in conducting your business.
- 13. **Securities** means negotiable and non-negotiable instruments or contracts representing either **money** or property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;but does not include **money**.
- 14. **Theft** means the unlawful taking of **money**, securities or other property to the deprivation of the Insured.
- 15. **Watchperson** means any person you retain specifically to have care and custody of property inside the premises and who has no other duties.

F. CONDITIONS

The following Conditions apply in addition to Section A., General Conditions Applicable To This Entire Policy:

1. Cancellation As to Any Employee

This insurance is cancelled as to any employee:

- (1) Immediately upon discovery by:
 - (a) You; or
 - (b) Any of your partners, members, managers, officers, directors or trustees not in collusion with the employee;
Of theft or any other dishonest act committed by that employee whether before or after becoming employed by you.
- (2) On the date specified in a notice mailed to the first Named Insured shown in the Policy Declarations. That date will be at least 30 days after the date of mailing.
We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. Concealment, Misrepresentation Or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

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

3. Discovery

- a. We will pay for loss that you sustain through acts committed or events occurring at any time and discovered by you:
 - (1) During the Term of Coverage shown in the Policy Declarations; or
 - (2) During the period of time provided in Paragraph 4. Extended Period To Discover Loss Condition below.
- b. Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this insurance has been or will be incurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this insurance.

4. Extended Period To Discover Loss

- a. We will pay for loss that you sustain prior to the effective date of termination or cancellation of this insurance, which is discovered by you no later than one year from the date of that termination or cancellation.
- b. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

5. Duties In The Event Of Loss

After you discover a loss or a situation that may result in loss of or damage to **money**, securities or other property you must:

- a. Notify us as soon as possible. If you have reason to believe that any loss involves a violation of law, you must also notify the local law enforcement authorities.
- b. Submit to examination under oath at our request and give us a signed statement of your answers.
- c. Give us a detailed, sworn proof of loss within 120 days.
- d. Cooperate with us in the investigation and settlement of any claim.

6. Employee Benefit Plan(s)

- a. The employee benefit plan(s) shown in the Crime Declarations are included as insureds under Insuring Agreement A.1., Employee Theft.
- b. If any employee benefit plan(s) is insured jointly with any other entity under this insurance, you must select a Limit of Coverage for Insuring Agreement A.1., Employee Theft that is sufficient to provide a Limit of Coverage for each employee benefit plan that is at least equal to that required if each employee benefit plan were separately insured.
- c. With respect to losses sustained or discovered by any such employee benefit plan, Insuring Agreement A.1., Employee Theft, is replaced by the following:

We will pay for loss of or damage to funds and other property resulting directly from fraudulent or dishonest acts committed by an employee, whether identified or not, acting alone or in collusion with other persons.

- d. If the first Named Insured shown in the Policy Declarations is an entity other than an employee benefit plan, any payment we make to that first Named Insured for loss sustained by any employee benefit plan will be held by the first Named Insured for the use and benefit of the employee benefit plan(s) sustaining the loss.
- e. If two or more employee benefit plan(s) are insured under this insurance, any payment we make for loss:
 - (1) Sustained by two or more employee benefit plan(s); or
 - (2) Of commingled funds or other property of two or more employee benefit plan(s);

that arises out of one occurrence, is to be shared by each employee benefit plan sustaining loss in the proportion that the Limit of Coverage required for

each employee benefit plan bears to the total of those limits.

- f. The Deductible Amount applicable to Insuring Agreement A.1., Employee Theft, does not apply to loss sustained by any employee benefit plan(s).

7. Extended Period To Discover Loss

- a. We will pay for loss that you sustain prior to the effective date of termination or cancellation of this insurance, which is discovered by you no later than one year from the date of that termination or cancellation.
- b. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

8. Joint Insured

- a. If more than one insured is named in the Policy Declarations, the first Named Insured will act for itself and for every other insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- b. If any insured, or partner, member or officer of that insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every insured.
- c. An employee of any insured is considered to be an employee of every insured.
- d. If this insurance or any of its coverages is cancelled or terminated as to any insured, loss sustained by that insured is covered only if discovered by you during the period of time in the Extended Period To Discover Loss Condition F.1.g.

However, this extended period to discover loss terminates as to that insured immediately upon the effective date of any other insurance obtained by that insured replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- e. We will not pay more for loss sustained by more than one insured than the amount we would pay if all the loss had been sustained by one insured.

9. Legal Action Against Us

Section A., General Conditions Applicable to This Entire Policy, Condition H., Legal Action Against Us does not apply. You may not bring any legal action against us involving loss:

- a. Until all the terms of this Section G. have been complied with;
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

The 2 year period for legal action against us is extended by the number of days between the date the statement of loss is filed with us and the date we deny the claim in whole or in part.

If any limitation in this Condition F.I.j. is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

10. Loss Covered Under this Coverage and Prior Coverage Issued by Us or Any Affiliate

If any loss is covered:

- a. Partly by this coverage; and
- b. Partly by any prior cancelled or terminated coverage that we or an affiliate of ours had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this coverage or the prior coverage.

11. Loss Covered Under More Than One Coverage Of This Insurance

If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. The actual amount of loss; or
- b. The sum of the Limits of Coverage applicable to those coverages.

12. Non-Cumulation of Limits of Coverage

Regardless of the number of years this coverage remains in force or the number of premiums paid, the Limit of Coverage does not accumulate from year to year or period to period.

13. Other Insurance

Section A. General Conditions Applicable To This Entire Policy, I. Other Insurance, does not apply. There may be other insurance applying to losses covered under this Section. If so, this insurance shall apply in excess of all other coverage. We will pay only for the amount of

covered loss or damage in excess of the amount due from that other coverage, whether you can collect on it or not. But we will not pay more than the applicable Limit of Coverage.

14. Ownership of Property; Interests Covered

The property covered under this insurance is limited to property:

- a. That you own or lease;
- b. That you own or hold; or
- c. For which you are legally liable, except for property inside the premises of a client of yours.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

15. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

16. Recoveries

(1) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

- (a) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Coverage and the Deductible Amount, if any;
- (b) Then to us, until we are reimbursed for the settlement made; and
- (c) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

(2) Recoveries do not include any recovery:

- (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (b) Of original securities after duplicates of them have been issued.

17. Coverage Under Two or More Coverage Parts

If two or more of this policy's coverages apply to the same loss, we will not pay more than the actual amount of the loss or damage subject to the highest available limit under any one applicable coverage.

18. Valuation-Settlement

(1) Subject to the applicable Limit of Coverage we will pay for:

- (a) Loss of money but only up to and including its face value. We may, at our option, pay for loss of money issued by any country other than the United States of America:

- (i) At face value in the money issued by that country; or
 - (ii) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
- (b) Loss of **securities** but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
- (i) Pay the value of such securities or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those securities; or
 - (ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the securities. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (x) Value of the securities at the close of business on the day the loss was discovered; or
 - (y) Limit of Coverage.
- (c) Loss of, or loss from damage to other property or loss from damage to the premises or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
- (i) The Limit of Coverage applicable to the lost or damaged property;
 - (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
- (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
- We will not pay on a replacement cost basis for any loss or damage:
- (iv) Until the lost or damaged property is actually repaired or replaced; and
 - (v) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.
- (2) We may, at our option, pay for loss of or damage to property other than money:
- (a) In the money of the country in which the loss occurred; or
 - (b) In the United States of America dollar equivalent of the money of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- (3) Any property that we pay for or replace becomes our property.

19. Coverage Territory

Condition E., Coverage Territory, of Section A., General Conditions Applicable To This Entire Policy does not apply. We will cover loss you sustain anywhere in the world.

SECTION H

TERMS & CONDITIONS APPLICABLE TO PRIMARY LIABILITY INSURANCE

If any of the following types of insurance are provided under this policy:

Section I.	Bodily injury and Property Damage Liability
Section J.	Sexual abuse Liability
Section K.	Social work, Foster Care and Counseling Liability
Section L.	Medical Liability
Section M.	Personal and advertising injury Liability
Section N.	Nonowned and Hired Auto Liability
Section O.	Medical Payments
Section P.	Employee Benefit Administration Liability,

Then the following Terms & Conditions apply to them.

A. LIMITS OF COVERAGE

1. The Limits of Coverage shown in the Primary Liability Declarations of this policy and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds and additional insureds;
 - b. Claims made or suits brought;
 - c. Persons or organizations making claims or bringing suits;
 - d. Nonowned autos, hired autos, or vehicles involved in an accident under Section N.;
 - e. Premiums paid; or
 - f. Acts, errors or omissions resulting in loss or employee benefit plans under Section P.

2. Single Limit

- a. Within this policy no more than one Section shall apply to one or more complaints, demands, claims or suits arising out of any single occurrence, medical incident, personal and advertising injury offense, sexual abuse occurrence, social work occurrence, or employee benefit administration, or a combination thereof.
- b. If more than one policy issued by us applies to one or more complaints, demands, claims or suits arising out of a single occurrence, medical incident, personal and advertising injury offense, sexual abuse occurrence, social work occurrence, or employee benefit administration, or a combination thereof,

then the largest applicable Limit of Coverage available under any single policy shall apply to all insureds with respect to any such occurrence, medical incident, personal and advertising injury offense, sexual abuse occurrence, social work occurrence, or employee benefit administration.

- c. Any damages incurred because of sexual abuse, social work injury, or medical/ healthcare services, including a series or combination of related sexual abuse occurrences or social work occurrences or medical incidents, to any one person or family, including a foster care family, occurring over more than one Policy Year, shall be considered incurred because of a single sexual abuse occurrence or social work occurrence or medical incident and will be subject to the Limits of Coverage in effect at the time of the first sexual abuse occurrence or social work occurrence or medical incident.

3. Policy Year Annual Aggregate Limit – Sections I., J., K., and L.

The Policy Year Annual Aggregate Limit for Sections I., J., K., and L., indicated in the Primary Liability Declarations is the most we will pay for the sum of all damages under Sections I., J., K., and L. during each Policy Year.

4. This Policy Year Annual Aggregate Limit applies separately to each Policy Year of this policy.

B. COMMON EXCLUSIONS

Except as expressly provided in a specific Section, insurance provided under all Primary Liability coverages provided by this policy does not apply to:

1. Expected or Intended Injury

Bodily injury or property damage which are expected or intended from the standpoint of the insured.

However, this exclusion does not apply to bodily injury resulting from the use of reasonable force to protect persons or property, or corporal punishment to any of your students, pupils or clients administered by any insured provided that you authorized it.

2. Contractual Liability

Liability of others assumed by any insured under any contract or agreement, other than an insured contract. This includes liability assumed by the insured under any agreement guaranteeing the results of any counseling and

liability arising from guaranteeing the results of treatment by the insured.

3. Liquor Liability

Bodily injury that any insured who is regularly engaged in the business activity of manufacturing, distributing, selling, serving or furnishing alcoholic beverages in order to generate income in excess of expenses, may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

4. Workers' Compensation and Similar Laws

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

5. Employment-Related Practices

Any bodily injury:

- a. To a person arising out of any:
 - i. Refusal to employ that person;
 - ii. Termination of that person's employment; or
 - iii. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- b. To the spouse, child, parent, brother or sister of that person as a consequence of any damages to that person at whom any of the employment-related practices described above is directed.
- c. Arising from consequential bodily injury or personal and advertising injury of any physical or psychological origin resulting from subparagraphs a. or b. above.

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

6. Employer's Liability

Any bodily injury to:

- a. An employee of the insured arising out of and in the course of employment by the insured or performing duties related to the conduct of the insured's business; or

- b. The spouse, child, parent, brother or sister of that employee as a consequence of a. 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.

However, this exclusion does not apply to liability assumed by the insured under an insured contract.

7. Pollution

- a. Any bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:
 - i. At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - a) Bodily injury if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - b) Bodily injury or property damage for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - c) Bodily injury or property damage arising out of heat, smoke or fumes from a hostile fire;
 - ii. At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - iii. Which are or were at any time transported, handled, stored, treated, disposed of or processed as waste by or for any insured or any person or organization for whom you may be legally responsible;

- iv. At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - a) Bodily injury or property damage arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the bodily injury or property damage arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - b) Bodily injury or property damage sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - c) Bodily injury or property damage arising out of heat, smoke or fumes from a hostile fire.
 - v. At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.
- b. Any loss, cost or expense arising out of any:
- i. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - ii. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.
- However, this paragraph does not apply to liability for damages because of property damage that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or suit by or on behalf of a governmental authority.
8. Aircraft, Auto, or Watercraft
- Any bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and loading or unloading.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured.
- This exclusion does not apply to bodily injury or property damage arising out of:
- a. Any watercraft while ashore on premises you own or rent;
 - b. A watercraft that is less than 26 feet long and is not being used to carry persons or property for a charge;
 - c. Parking an auto on, or on the ways next to, premises you own or rent, provided the auto is not owned by or rented or loaned to you.
9. Mobile Equipment
- Bodily injury or property damage arising out of:
- a. The transportation of mobile equipment by an auto owned or operated by or rented or loaned to any insured; or
 - b. The use of mobile equipment in, or while in practice for, or while being prepared for, any prearranged racing, speed or demolition contest or stunting activity.
10. War
- Bodily injury or property damage, however caused, arising, directly or indirectly, out of:
- a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

11. Professional Services

Any damages arising out of the rendering or failure to render professional services, including, but not limited to healthcare and veterinary services, social work, foster care services, psychological counseling, psychological therapy, psychological evaluation for program placement, legal, accounting, financial, appraisal, architectural, cosmetic, physical therapy, massage, optical, optometric, ear piercing and engineering services.

12. Damage to Property

Property damage to:

- a. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises you sell, give away or abandon, if the property damage arises out of any part of those premises;
- c. Property loaned to you;
- d. Personal property in your care, custody or control;
- e. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the property damage arises out of those operations; or
- f. That particular part of any property that must be restored, repaired or replaced because your work was incorrectly performed on it.

13. Damage to your Product or Work

Property damage to your product or your work.

14. Damage to Impaired Property or Property Not Physically Injured

Property damage to impaired property or property that has not been physically injured, arising out of:

- i. A defect, deficiency, inadequacy or dangerous condition in your product or your work; or
- ii. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

15. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall,

inspection, repair, replacement, adjustment, removal or disposal of:

- a. Your product;
- b. Your work; or
- c. Impaired property;

If such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

16. Sexual Abuse

Any bodily injury arising out of any actual, threatened, intentional or unintentional sexual abuse of any person.

17. Nuclear Energy Liability

- a. Bodily injury or property damage with respect to which an insured under this insurance is also an insured under a Nuclear Energy Liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such insurance policy but for its termination upon exhaustion of its limit of liability; or
- b. Damages resulting from the hazardous properties of nuclear material and with respect to which:
 - i. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - ii. The insured is, or had this insurance not been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.
- c. Damages resulting from the hazardous properties of nuclear material, if:
 - i. The nuclear material:
 - (a) Is at any nuclear facility owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - ii. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - iii. The damages arise out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning,

construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (iii) applies only to property damage to such nuclear facility and any property thereof.

18. Personal and Advertising Injury

Damages arising out of personal and advertising injury.

19. Employee Benefit Administration & Fiduciary Liability

Damages arising out of employee benefit administration and the legal liability of fiduciaries under the Employee Retirement Income Security Act (ERISA), including its amendments, and similar state and local statutes.

20. Hazardous Activities

Any damages arising directly or indirectly out of the activities, events or causes of injury or damage listed below when authorized and conducted by the Named Insured or authorized by the Named Insured and conducted on its behalf by employees, volunteers, or independent contractors of the Named Insured.

Excluded activities, events or causes of injury are:

- a. Tackle football activities;
- b. The use of any size trampoline, including half-tramp equipment;
- c. Detonation or ignition of fireworks displays except by licensed independent contractors that provide to the Named Insured evidence of applicable liability insurance coverage demonstrating a limit of not less than \$1,000,000 per occurrence;

This is an absolute exclusion. We have no obligation to defend, pay on behalf of, indemnify or incur any cost or expense for any insured or any other person or organization seeking coverage under this insurance for any activities, events, or causes of injury described above.

21. Accreditation and Professional Boards

Damages arising out of participation in a formal accreditation or similar professional board or committee.

22. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or

used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

23. Lead Poisoning and Contamination

Any bodily injury arising out of the ingestion, inhalation or absorption of lead in any form, including any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead and any loss cost or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of any examination, testing, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the presence or the effects of lead.

24. Asbestos

Bodily injury, property damage, or personal and advertising injury arising out of, resulting from, caused by, or contributed to by asbestos, exposure to asbestos or the use of asbestos including:

- a. Any damages or any loss, cost or expense arising out of any (i) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or (ii) request, demand, order or statutory or regulatory requirement that any insured or any other person or entity should be, or should be responsible for:
 1. Assessing the presence, absence or amount or effects of asbestos;
 2. Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating asbestos; or
 3. Responding to asbestos in any way other than as described in 1. and 2. above;
- b. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
- c. Any obligation to share damages with or repay someone else in connection with any of the subsections above.

C. COMMON SUPPLEMENTARY PAYMENTS CONDITIONS

Except as expressly provided in a specific Section, the following Supplementary Payments Conditions apply to all Primary Liability Sections.

1. We will pay, with respect to any claim or any suit we defend:
 - a. All expenses we incur.
 - b. The cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the bodily injury liability coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable Limits of Coverage. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or suit, including actual loss of earnings up to \$200 a day because of time off work.
 - e. All costs taxed against the insured in the suit.
 - f. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limits of Coverage, we will not pay any pre-judgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limits of Coverage.

These payments will not reduce the Limits of Coverage.

2. If we defend an insured against a suit and an indemnitee of the insured is also named as a party to the suit, we will defend that indemnitee if all of the following conditions are met:
 - a. The suit against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an insured contract;
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same insured contract;
 - d. The allegations in the suit and the information we know about the occurrence are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such suit and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - i. Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the suit;
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the suit;
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - ii. Provides us with written authorization to:
 - (a) Obtain records and other information related to the suit; and
 - (b) Conduct and control the defense of the indemnitee in such suit.
- g. So long as the conditions of this provision C.2. are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of B. Exclusions, 2. above, such payments will not be deemed to be damages for bodily injury and property damage and will not reduce the Limits of Coverage.
- b. Our obligation to defend an insured's indemnitee and to pay for attorney's fees and necessary litigation expenses as Supplementary Payments ends when:
 - i. We have used up the applicable Limits of Coverage in the payment of judgments or settlements; or
 - ii. The conditions set forth in this paragraph C.2., or the terms of the agreement described in subparagraph f. of this paragraph C.2. are no longer met.

D. COMMON DEFINITIONS

Except as expressly provided in a specific Section, the following Definitions apply to all Primary Liability Sections.

1. **Accident** includes continuous or repeated exposure to the same conditions resulting in **bodily injury** or property damage.

2. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purposes of attracting customers or supporters. For purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purpose of attracting customers or supporters is considered an **advertisement**.

3. **Auto** means:

- a. a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

But auto does not include mobile equipment.

4. **Bodily injury** means **bodily injury**, sickness or disease sustained by a person, including death resulting from any of these at any time.

5. **Client** means your recipient of social work, including foster care services and personal counseling services.

6. **Damages** means any monetary compensatory amount that an insured is legally obligated to pay, including judgments, awards and settlements entered into with our prior written consent. **Damages** shall not include, by way of description or limitation, any form of equitable relief, cost associated with complying with injunctions or temporary restraining orders, or any fines, penalties, remedial or punitive **damages**.

Damages includes all damages claimed by any person or organization for care, loss of services or death of another person.

7. **Employee** does not include:

- a. temporaries furnished to you to substitute for permanent employee(s) on leave or to meet seasonal demands or short-term workload conditions; or
- b. volunteers who donate work and acts at the direction of and within the scope of duties determined by you, and are not paid a fee, salary or other compensation by you or anyone else for their work performed for you; or

c. persons leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your organization's activities; or

d. independent contractors.

8. **Employee Benefit Administration** means:

- a. Giving counsel to employees, including their dependents and beneficiaries, with respect to the employee benefit plans;
 - b. Interpreting the employee benefit plans;
 - c. Handling records in connection with the employee benefit plans; or
 - d. Effecting enrollment, termination or cancellation of employees under the employee benefit plans;
- provided you authorized all such acts.

Employee Benefit Administration does not include employee benefit plan governance, management, oversight, investment decisions and investment outcome.

9. **Employee benefit plans** means group life insurance, group accident or health insurance, pension plans, employee stock subscription plans, workers' compensation, unemployment insurance, social security, disability benefits and any other similar employee benefit plan.

10. **Foster care family** means all persons whose usual place of residence is the same dwelling as the foster children.

11. **Foster care services** means the provision of personal care and training to foster children including the activities of the insured in the investigation, evaluation, counseling, treatment, training, material aid, supervision and monitoring of individuals or families, including foster care families, with respect to placement of foster children.

12. **Foster children** means natural persons under the age of 21 years who have been placed in the care and custody of a foster care family.

13. **Hired auto** means only those autos you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent or borrow from any of your employees, temporaries, volunteers, leased workers or independent contractors or members of their households.

14. **Insured** means you and all of your executive officers and directors, trustees, but only while acting within the scope of their duties as such.

Insured also includes:

- a. Your employees for acts within the scope of their employment by you. However, no employee is an insured for:

- i. **Damages** to you or to a fellow employee while in the course of their employment, or the spouse, child, parent, brother or sister of that fellow employee as a consequence of such injury, or for any obligation to share damages with someone else who must pay damages because of the injury.
 - ii. **Property damage** to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, or any of your employees or volunteers.
- b. Any organization (other than a joint venture, limited liability company, or a partnership) newly acquired or formed by you, and in which you have a majority interest.
- However, such an organization is not an insured:
- i. If there is other similar coverage available to it;
 - ii. After 90 days immediately following that acquisition or formation or upon expiration or cancellation of the policy, whichever is earlier;
 - iii. For damages that occurred or were committed prior to the acquisition or formation.
- No person or organization is an insured with respect to the conduct of a current or past partnership or joint venture that is not shown on the Policy Declarations as an insured.
- c. **Insured** does not include a foster care family.
 - d. Any additional Named Insured or additional insured designated in the Declarations is covered but solely for damages that an insured as defined above, is also liable. This insurance does not apply to any other liability of the additional Named Insured or additional insured and this inclusion does not increase the applicable Limit of Coverage. Employees, agents, representatives and volunteers of an additional Named Insured or additional insured are not insureds under this policy.
 - e. Your volunteers but only while acting at your direction and within the scope of their duties. No volunteer is an insured for:
 - i. **Damages** to you or to a co-volunteer or to your employees arising out of and in the course of their duties.
 - ii. **Property damage** to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, a co-volunteer or your employees.
- iii. **Damages** arising out of his or her providing or failing to provide professional health care services.
 - f. Your members, but only with respect to their liability arising from your activities or activities they perform on your behalf.
 - g. Your trustees, officials, members of the board of governors, clergymen or deacons but only with respect to their duties as such.
 - h. Anyone, except your employees, while acting as your real estate manager;
 - i. With respect to mobile equipment registered in your name under any motor vehicle registration law, any person while operating such equipment along a public highway with your permission is an insured. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization. However, no person or organization is an insured with respect to:
 - Bodily injury to a fellow employee of the person driving the equipment; or
 - Property damage to property owned by, rented to, in the charge of, or occupied by you or the employer of any person who is an insured under this subparagraph.

15. **Insured contract** means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an insured contract;
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An elevator maintenance agreement;
- e. A contract or agreement pertaining to your organization under which you assume the tort liability of another party to pay for bodily injury or property damage, sexual abuse, social work injury or damages arising out of a medical incident to a third person or organization, except as specifically excluded in paragraph f. below. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

- f. **Insured contract** does not include that part of any contract or agreement:
- i. That defends or indemnifies any person or organization for damages arising out of bodily injury, property damage, sexual abuse, social work injury or a medical incident which occurred prior to the execution of the contract or agreement
 - ii. That defends or indemnifies any person, organization or entity for bodily injury or property damage arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
 - iii. That defends or indemnifies an architect, engineer or surveyor for loss arising from:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, field orders, change orders, or drawings or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
 - iv. That defends or indemnifies for loss arising from any person, organization or entity for any construction, remodeling or repair services.
 - v. That defends or indemnifies any person, organization or entity for bodily injury and property damage arising out of the ownership, maintenance, use or entrustment of any aircraft, auto or watercraft.
16. **Loading or unloading** means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or auto;
 - b. While it is in or on an aircraft, watercraft or auto; or
 - c. While it is being moved from an aircraft, watercraft or auto to the place where it is finally delivered;
- but loading and unloading does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or auto.
17. **Medical incident** means continuous or repeated exposure to substantially the same conditions, including related medical/healthcare services, resulting in medical/healthcare injury.
18. **Medical/healthcare injury** means any injury arising out of any act, error or omission of an insured within the scope of that insured's employment by or services to you
- arising out of the furnishing of medical/healthcare services.
19. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - i. Power cranes, shovels, loaders, diggers drills; or
 - ii. Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - i. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - ii. Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not mobile equipment but will be considered autos:
- i. Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - ii. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - iii. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- However, mobile equipment does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial

responsibility law or other motor vehicle insurance law are considered autos.

20. Nonowned auto means only those autos you do not own, lease, hire, rent or borrow that are used in connection with the conduct of your organization's activities. This includes autos owned by employees but only while used in the conduct of your organization's activities.

21. Nuclear Energy Liability Definitions

The following definitions apply only to the Nuclear Energy Liability Exclusion in Section B., common Exclusions, above:

- a. Hazardous properties include radioactive, toxic or explosive properties.
- b. Nuclear material means source material, special nuclear material or by-product material.
- c. Source material, special nuclear material and by-product material have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.
- d. Spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.
- e. Waste means any waste material:
 - i. Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content; and
 - ii. Resulting from the operation by any person or organization of any nuclear facility included under subparagraphs i. and ii. of the definition of nuclear facility.
- f. Nuclear facility means:
 - i. Any nuclear reactor.
 - ii. Any equipment or device designed or used for:
 - (a) Separating the isotopes of uranium or plutonium;
 - (b) Processing or utilizing spent fuel; or
 - (c) Handling, processing or packaging waste.
 - iii. Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.

- iv. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste;

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

- g. Nuclear reactor means any apparatus designed or used:

- i. To sustain nuclear fission in a self-supporting chain reaction; or
- ii. To contain a critical mass of fissionable material.
- h. For purposes of Exclusion 18., Nuclear Energy Liability, above, property damage includes all forms of radioactive contamination of property.

22. Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

23. Personal and advertising injury means injury including consequential bodily injury arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your advertisement; or
- g. Infringing upon another's copyright, trade dress or slogan in your advertisement.

24. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes, by way of description and not limitation, materials disposed of or to be disposed of or materials to be recycled, reconditioned or reclaimed.

25. Property damage means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b. Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the occurrence that caused it.
26. **Sexual abuse** means the infliction of harm of a sexual nature upon any person by another person or persons, including your employees, agents, representatives, volunteers, or others whether such harm is physical, emotional or psychological and is the result of physical, visual, or audible conduct.
27. **Sexual abuse occurrence** means the exposure of any one person to sexual abuse by one person or two or more persons acting together. All such exposure, including multiple interactions, occurring over any period of time shall be considered to have occurred at the time of the first exposure and during the Policy Year of the first such exposure.
28. **Social work** means activities of the Named Insured involving child welfare, community physical and mental health, adoption services, personal counseling services, and recreational activities.
29. **Social work injury** means acts, errors or omissions of the insured, arising out of the rendering or failure to render social work and foster care services. Acts, errors or omissions include but are not limited to the following allegations: duress, negligence, threats of removal of a child/children, and threats of administrative or criminal action.
30. **Social work occurrence** means continuous or repeated exposure to substantially the same harmful conditions resulting in social work injury, including all related social work and foster care services. All such exposure occurring over any period of time shall be considered to have occurred in the Policy Year of the first such exposure.
31. **Suit** means a civil proceeding in which damages to which this insurance applies are alleged. Suit includes:
- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you must submit or do submit with our consent.

E. COMMON COVERAGE CONDITIONS

Except as expressly provided in a specific Section, the following Common Coverage Conditions apply to all Primary Liability Sections in addition to the General Conditions Applicable To This Entire Policy.

1. **Duties in the Event of Occurrence, Offense, Claim or Suit**
 - a. You must see to it that we are notified as soon as practicable of any accident, event or change in

condition that may result in a claim. To the extent possible, notice should include:

- i. How, when and where the accident, event or change in condition took place;
 - ii. The names and addresses of any injured persons and witnesses; and
 - iii. The nature and location of any injury or damage.
- b. If a claim is made or suit is brought against any insured, you must:
- i. Immediately record the specifics of the claim or suit and the date received; and
 - ii. Notify us as soon as practicable.
- You must see to it that we receive written notice of the claim or suit as soon as practicable.
- c. You and any other involved insured must:
- i. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
 - ii. Authorize us to obtain records and other information;
 - iii. Cooperate with us in the investigation, settlement or defense of the claim, or suit; and
 - iv. Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. You must see to it that notice of any accident, event or change in condition that may result in a claim, or a claim which has been made or a suit is given as soon as practicable to any other insurer which has available insurance for a loss which we cover under this insurance.
- f. You must promptly tender the defense of any claim or claim made or suit to any other insurer that also has available insurance for a loss that we cover under this insurance.

2. **Separation of Insureds**

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

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

SECTION I

BODILY INJURY AND PROPERTY DAMAGE LIABILITY

This Section applies only if a "Yes" is indicated in the Coverages Provided section of the Policy Declarations and a Limit of Coverage is shown for Section I, in the Primary Liability Declarations.

Except as expressly described below, this Section is subject to Section A., General Conditions Applicable to this Entire Policy and to Section H., Terms & Conditions Applicable to Primary Liability Insurance.

A. COVERAGE AGREEMENT

We will pay those sums that the insured becomes legally obligated to pay as damages because of bodily injury or property damage to which this insurance applies. The bodily injury or property damage must occur during the term of coverage and must be caused by an occurrence that takes place in the Coverage Territory.

Also:

1. We will have the right and duty to defend the insured against any suit seeking damages to which this insurance applies. We will not provide a defense or pay attorneys fees or defense costs, however, for any loss, claim proceeding, suit or any other legal or administrative action or part thereof to which this insurance does not apply and/or for which there is no coverage afforded, except at our sole discretion.
2. The amount we will pay for damages is limited as described in the Primary Liability Declarations and paragraph C., Limits of Coverage Conditions, of this Section.
3. We may investigate and settle any claim or suit at our discretion.
4. Our right and duty to defend ends when we have paid the applicable Limits of Coverage.
5. If this insurance does not apply, we have no duty to defend.
6. We will not pay defense costs nor shall we be obligated to provide a defense for claims or legal actions in any way requesting punitive or exemplary damages, except at our discretion.
7. This insurance applies only if, prior to the Term of Coverage, neither you, any of your executive officers and directors while acting within the scope of their duties, nor any employee authorized to give or receive notice of an occurrence or claim, knew that the bodily injury or property damage had occurred, in whole or in part. If you, any of your executive officers and directors while acting within the scope of their duties, or any authorized

employee knew, prior to the Term of Coverage, that the bodily injury or property damage occurred, then any continuation, change, or resumption of such bodily injury or property damage during or after the Term of Coverage will be deemed to have been known prior to the Term of Coverage.

8. Bodily injury or property damage which occurs during the Term of Coverage and was not, prior to the Term of Coverage, known to have occurred by you, any of your executive officers and directors while acting within the scope of their duties, or any employee authorized by you to give or receive notice of an occurrence or claim, includes any continuation, change or resumption of that bodily injury or property damage after the end of the policy period.
9. Bodily injury or property damage will be deemed to have been known to have occurred at the earliest time when you, any of your executive officers and directors while acting within the scope of their duties, or any employee authorized by you to give or receive notice of an occurrence or claim:
 - a. Reports all, or any part, of the bodily injury or property damage to us or any other insurer;
 - b. Receives a written or verbal demand or claim for damages because of the bodily injury or property damage; or
 - c. Becomes aware by any other means that bodily injury or property damage has occurred or has begun to occur.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph C., Common Supplementary Payments Conditions of Section H.

B. EXCLUSIONS

Except as expressly described below, this Section is subject to A. Common Exclusions, of Section H., Terms & Conditions Applicable To Primary Liability Insurance.

Fire and Water Damage Legal Liability

Subject to the Limit of Coverage provided in Section C.b. below, the otherwise applicable exclusions of this policy do not apply to your legal liability for damage to premises, not owned by you, while rented to you or temporarily occupied by you with permission of the owner that is caused by fire, explosion, sudden smoke or smudge from the faulty operations of a heating or cooling unit, or water.

C. LIMITS OF COVERAGE CONDITIONS

The following additional Limits of Coverage Conditions apply to Section I.:

- a. The Bodily injury and Property Damage (Section I) Each Occurrence Limit indicated in the Primary Liability Declarations is the most we will pay for the sum of all damages because of bodily injury and property damage arising out of any one occurrence.

SECTION J

SEXUAL ABUSE LIABILITY

This Section applies only if a "Yes" is indicated in the Coverages Provided section of the Policy Declarations and a Limit of Coverage is shown for Section J. in the Primary Liability Declarations.

Except as expressly described below, this Section is subject to Section A., General Conditions Applicable to this Entire Policy and to Section H., Terms & Conditions Applicable to Primary Liability Insurance.

A. COVERAGE AGREEMENT

We will pay those sums that the insured becomes legally obligated to pay as damages arising out of sexual abuse occurrences to which this insurance applies. The sexual abuse occurrence must take place during the Term of Coverage and within the Coverage Territory.

Also:

1. We will have the right and duty to defend the insured against any suit seeking damages to which this insurance applies. We will not provide a defense or pay attorneys fees or defense costs, however, for any loss, claim proceeding, suit or any other legal or administrative action or part thereof to which this insurance does not apply and/or for which there is no coverage afforded, except at our sole discretion.
2. The amount we will pay for damages is limited as described in the Primary Liability Declarations and paragraph C., Limits of Coverage Conditions of this Section.
3. We may investigate and settle any claim or suit at our discretion.
4. Our right and duty to defend ends when we have paid the applicable Limits of Coverage or otherwise exhausted the Policy Year Annual Aggregate Limit – Sections J., K., and L., shown in the Primary Liability Declarations.
5. If this insurance does not apply, we have no duty to defend.

- b. \$100,000 is the Fire and Water Damage Legal Liability Each Occurrence Limit and is the most we will pay for the sum of all damages because of damage to premises while rented to you or temporarily occupied by you with permission of the owner that is caused by fire, explosion, sudden smoke or smudge from the faulty operations of a heating or cooling unit, or water arising out of any one occurrence.

6. We will not pay defense costs nor shall we be obligated to provide a defense for claims or legal actions in any way requesting punitive or exemplary damages, except at our discretion.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under C., Common Supplementary Payments Conditions of Section H.

B. EXCLUSIONS

Except as expressly described below, this Section is subject to B. Common Exclusions, of Section H., Terms & Conditions Applicable To Primary Liability Insurance.

1. Exclusion 16., Sexual Abuse of Section H. does not apply.
2. The following additional Exclusions are added to this Section J.:

With respect to any particular insured, this Section J. does not apply to:

- a. Damages arising from the perpetration of any criminal act by that insured.
- b. Damages sustained by an employee of an insured, or the spouse, child, parent, brother or sister of that employee with respect to sexual abuse of that employee.

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

C. LIMITS OF COVERAGE CONDITIONS

The following additional Limits of Coverage Conditions apply to Section J.:

1. Subject to Paragraph A. Limits of Coverage, 3. Policy Year Annual Aggregate Limit– Sections J., K., and L., of Section H., the sexual abuse occurrence Limit indicated

in the Primary Liability Declarations is the most we will pay for the sum of all damages arising out of a sexual abuse occurrence.

2. Any damages arising out of sexual abuse to any one person shall be considered incurred because of one sexual abuse occurrence.
3. Any damages arising out of sexual abuse to any one person occurring over any period of time shall be subject to the Limits of Coverage in effect at the time of the first sexual abuse.

D. COVERAGE CONDITIONS

The following additional Coverage Condition applies to this Section J.:

Knowledge of Actual or Alleged Sexual Abuse Occurrence

Whenever any executive officer, supervisory employee, director or trustee of the insured shall have actual knowledge of any previous act, incident or alleged act or incident of sexual abuse by an employee or volunteer of the insured, then the coverage provided by Section J. shall be cancelled with respect to any subsequent sexual abuse occurrence involving, arising out of, resulting from or in any way related to sexual abuse on the part of that employee or volunteer of the insured.

SECTION K

SOCIAL WORK, FOSTER CARE AND COUNSELING LIABILITY

This Section only applies if a "Yes" is indicated in the Coverages Provided section of the Policy Declarations and a Limit of Coverage is shown for Section K. in the Primary Liability Declarations.

Except as expressly described below, this Section is subject to Section A., General Conditions Applicable to this Entire Policy and to Section H., Terms & Conditions Applicable to Primary Liability Insurance.

A. COVERAGE AGREEMENTS

1. Insuring Agreement

We will pay those sums that the insured becomes legally obligated to pay as damages arising out of social work occurrences to which this insurance applies. The social work occurrence must take place during the Term of Coverage and within the Coverage Territory.

- a. We will have the right and duty to defend the insured against any suit seeking damages to which this insurance applies. We will not provide a defense or pay attorneys fees or defense costs, however, for any loss, claim proceeding, suit or any other legal or administrative action or part thereof to which this insurance does not apply and/or for which there is no coverage afforded, except at our sole discretion.
- b. We may investigate and settle any claim or suit at our discretion.
- c. Our right and duty to defend ends when we have paid the applicable Limits of Coverage or otherwise exhausted the Policy Year Annual Aggregate Limit – Applicable to Sections J., K., and L., shown in the Primary Liability Declarations.

- d. We will not pay defense costs nor shall we be obligated to provide a defense for claims or legal actions in any way requesting punitive or exemplary damages, except at our discretion.
- e. If this insurance does not apply, we have no duty to defend the insured under this Section.
- f. The amount we will pay for damages is limited as described in the Primary Liability Declarations and paragraph C., Limits of Coverage Conditions, of this Section.

2. Supplementary Indemnification Agreement

When the provisions of Paragraph 1., Insuring Agreement, above, do not apply, we will indemnify the insured for expenses it incurs in the investigation, representation or defense of legal actions to which the insured arises out of social work occurrences arising out of adoption of a child or children which do not seek damages, but seek adjudicated non-pecuniary, specific performance regarding the custody and adoption status of a child or children. The social work occurrence must take place during the Term of Coverage and within the Coverage Territory.

Our duty to indemnify ends when we have paid the applicable limit specified in Paragraph C. below.

3. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under C., Common Supplementary Payments Conditions of Section H.

B. EXCLUSIONS

Except as expressly described below, this Section is subject to B. Common Exclusions, of Section H, Terms & Conditions Applicable To Primary Liability Insurance.

1. Exclusion 11., Professional Services, of Section H., is replaced by the following:

Any damages arising out of the rendering or failure to render professional services, other than social work, foster care and counseling, including, but not limited to healthcare and veterinary services, legal, accounting, financial, appraisal, architectural, cosmetic, physical therapy, massage, optical, optometric, ear piercing and engineering services.

2. The following additional Exclusion is added to this Section K.:

This Section K. does not apply to: Damages arising from the willful violation by an insured, or with knowledge and consent of an insured, of a statute, ordinance or regulation related to the conduct of the profession of the insured or its employees.

C. LIMITS OF COVERAGE CONDITIONS

The following additional Limits of Coverage Conditions apply to Section K:

1. Subject to Paragraph A. Limits of Coverage, 3. Policy Year Annual Aggregate Limit – Sections J, K, and L, of Section H, the Social work, Foster Care and Counseling Liability Limit indicated in the Primary Liability Declarations is the most we will pay for the sum of all damages arising out of a social work occurrence.
2. All damages arising out of social work to any one person or family, including a foster care family, occurring over any period of time shall be considered incurred because of one social work occurrence.
4. Our obligation to indemnify all insureds under the Supplementary Indemnification Agreement, Paragraph A.2. above, is limited to \$250,000 as a Policy Year Annual Aggregate.

SECTION L

MEDICAL LIABILITY

This Section applies only if a "Yes" is indicated in the Coverages Provided section of the Policy Declarations and a Limit of Coverage is shown for Section L in the Primary Liability Declarations.

Except as expressly described below, this Section is subject to Section A., General Conditions Applicable to this Entire Policy and to Section H., Terms & Conditions Applicable to Primary Liability Insurance.

A. COVERAGE AGREEMENT

We will pay those sums that the insured becomes legally obligated to pay as damages arising out of medical incidents to which this coverage applies. The medical incident must take place during the Term of Coverage and within the Coverage Territory.

Also:

1. We will have the right and duty to defend the insured against any suit seeking damages to which this insurance applies. We will not provide a defense or pay attorneys fees or defense costs, however, for any loss, claim proceeding, suit or any other legal or administrative action or part thereof to which this insurance does not apply and/or for which there is no coverage or afforded, except at our sole discretion.

2. The amount we will pay for damages is limited as described in the Primary Liability Declarations and paragraph C., Limits of Coverage Conditions of this Section.
3. We may investigate and settle any claim or suit at our discretion.
4. Our right and duty to defend ends when we have paid the applicable Limits of Coverage or otherwise exhausted the Policy Year Annual Aggregate Limit – Applicable to Sections J., K., and L., shown in the Primary Liability Declarations.
5. If this insurance does not apply, we have no duty to defend.
6. We will not pay defense costs nor shall we be obligated to provide a defense for claims or legal actions in any way requesting punitive or exemplary damages, except at our discretion.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under paragraph C., Common Supplementary Payments Conditions, of Section H.

B. EXCLUSIONS

Except as expressly described below, this Section is subject to B. Exclusions, of Section H., Terms & Conditions Applicable To Primary Liability Insurance.

1. Contractual Liability

Exclusion 2. Contractual Liability, of Section H. does not apply and the following Exclusion is added to this Section L.:

Liability assumed by any insured under any contract or agreement relating to the services of medical physicians, pharmacists, dentists, nurse practitioners, midwives, physician's assistants or any organization employing medical physicians, pharmacists, dentists, nurse practitioners, midwives or physician's assistants.

2. Professional Services

Exclusion 11. Professional Services, of Section H. does not apply to this Section and the following Exclusion is added to this Section L.:

Any damages arising out of the rendering or failure to render professional services, other than healthcare services, including, but not limited to veterinary services social work, foster care services, psychological counseling, psychological therapy, psychological evaluation for program placement, legal accounting, financial, appraisal, architectural, cosmetic, physical therapy, massage, optical, optometric, ear piercing and engineering services.

3. The following additional Exclusion is added to this Section L.:

This Section L. does not apply to damages:

- a. Arising from the liability of any individual hired by a patient or employed by or on behalf of the patient.
- b. Arising from any fines, penalties, injunctive reliefs imposed by law, attorney's fees or administrative fees for which the insured becomes liable arising from

discrimination suits brought by any individual, any class of individuals or governmental agency.

- c. Arising from liability arising out of the violation by you of any law or regulation imposing criminal penalties.
- d. Expenses incurred by the insured for first aid at the time of an accident.

C. LIMITS OF COVERAGE CONDITIONS

The following additional Limits of Coverage Conditions apply to Section L.:

1. Subject to Paragraph A. Limits of Coverage 3., Policy Year Annual Aggregate Limit – Sections J., K., and L., of Section H., the Medical Liability Each Medical incident Limit is the most we will pay for the sum of all damages arising out of a medical incident.
2. Any damages arising out of the furnishing of services including any medical incidents or a series of related medical incidents, occurring over any period of time to any one person shall be considered incurred because of one medical incident.

D. DEFINITIONS

The definition of insured in Common Definitions of Section H. is modified as follows:

The following is added to the definition of insured:

- j. Insured does not include:
 - i. Any of the following persons, whether they are employees of an Insured or not: medical physicians, pharmacists, dentists, nurse practitioners, midwives or physician's assistants; or
 - ii. Any organization other than the Named Insured employing medical physicians, pharmacists, dentists, nurse practitioners, midwives or physician's assistants.

SECTION M

PERSONAL AND ADVERTISING INJURY LIABILITY

This Section applies only if a "Yes" is indicated in the Coverages Provided section of the Policy Declarations and a Limit of Coverage is shown for Section M. in the Primary Liability Declarations.

Except as expressly described below, this Section is subject to Section A., General Conditions Applicable to this Entire

Policy and to Section H., Terms & Conditions Applicable to Primary Liability Insurance.

A. COVERAGE AGREEMENT

We will pay those sums that the insured becomes legally obligated to pay as damages because of personal and advertising injury to which this insurance applies. The

personal and advertising injury must be caused by an offense committed during the Term of Coverage that takes place in the Coverage Territory.

Also:

1. We will have the right and duty to defend the insured against any suit seeking damages to which this insurance applies. We will not provide a defense or pay attorneys fees or defense costs, however, for any loss, claim proceeding, suit or any other legal or administrative action or part thereof to which this insurance does not apply and/or for which there is no coverage afforded, except at our sole discretion.
2. The amount we will pay for damages is limited as described in the Primary Liability Declarations and paragraph C., Limits of Coverage Conditions, of this Section M.;
3. We may investigate and settle any claim or suit at our discretion.
4. Our right and duty to defend ends when we have paid the applicable Limits of Coverage.
5. If this insurance does not apply, we have no duty to defend.
6. We will not pay defense costs nor shall we be obligated to provide a defense for claims or legal actions in any way requesting punitive or exemplary damages, except at our discretion.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph C., Common Supplementary Payments Conditions of Section H.

B. EXCLUSIONS

Except as expressly provided below, this Section is subject to B. Common Exclusions of Section H., Terms and Conditions Applicable to Primary Liability Insurance.

1. The following exclusions of A. Common Exclusions of Section H. are not applicable to this Section; 2. Contractual Liability, and 19. Personal and advertising injury.
2. The following Exclusion is added to this Section M.: This Section M. does not apply to damages arising out of personal and advertising injury:

a. Knowing Violation Of Rights Of Another

Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another.

b. Material Published With Knowledge Of Falsity

Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Term Of Coverage

Arising out of oral or written publication of material whose first publication took place before the beginning of the Term of Coverage.

d. Criminal Acts

Arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

Of another but assumed in a contract or agreement by the insured. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

Arising out of a breach of contract, except an implied contract to use another's advertising idea in your advertisement.

g. Quality Or Performance Of Goods – Failure To Conform To Statements

Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your advertisement.

h. Wrong Description Of Prices

Arising out of the wrong description of the price of goods, products, or services stated in your advertisement.

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

j. Insureds In Media And Internet Type Businesses

Committed by an insured whose activities include the designing or determining content of websites for others, or an Internet search, access, content or service provider.

k. Electronic Chatrooms Or Bulletin Boards

Arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

C. LIMITS OF COVERAGE CONDITIONS

The following additional Limits of Coverage Condition applies to Section M.:

The Personal and advertising injury Liability (Section M.) Policy Year Annual Aggregate Limit indicated in the Primary Liability Declarations is the most we will pay for the sum of all damages under this Section M. during each Policy Year.

SECTION N NON-OWNED AND HIRED AUTO LIABILITY

This Section applies only if a "Yes" is indicated in the Coverages Provided section of the Policy Declarations and a Limit of Coverage is shown for Section N. in the Primary Liability Declarations.

Except as expressly described below, this Section is subject to Section A., General Conditions Applicable to this Entire Policy and to Section H., Terms & Conditions Applicable to Primary Liability Insurance.

A. COVERAGE AGREEMENTS

Insuring Agreements

We will pay those sums that the insured becomes legally obligated to pay as damages arising out of the maintenance or use of a hired auto by you or your employees in the course of your operation, or the use of any non-owned auto in your operations by any person.

- a. We will have the right and duty to defend the insured against any suit seeking damages to which this insurance applies. We will not provide a defense or pay attorneys fees or defense costs, however, for any loss, claim proceeding, suit or any other legal or administrative action or part thereof to which this insurance does not apply and/or for which there is no coverage afforded, except at our sole discretion.
- b. We may investigate and settle any claim or suit at our discretion.
- c. Our right and duty to defend ends when we have paid the applicable Limits of Coverage.
- d. We will not pay defense costs nor shall we be obligated to provide a defense for claims or legal actions in any way requesting punitive or exemplary damages, except at our discretion.
- e. If this insurance does not apply, we have no duty to defend the insured under this Section.
- f. The amount we will pay for damages is described in the Primary Liability Declarations and Section H.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under C., Common Supplementary Payments Conditions of Section H.

B. EXCLUSIONS

Except as expressly described below, this Section is subject to B. Common Exclusions, of Section H., Terms & Conditions Applicable To Primary Liability Insurance.

1. The exclusions of Section H., B. Common Exclusions, other than 1. Expected or Intended Injury, 4. Workers' Compensation or Similar Laws, 5. Employment-Related Practices, 7. Pollution, 10. War and 17. Nuclear Energy Liability, are deleted and replaced by the following:

a. 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 operations; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of Paragraph (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 injury.

This exclusion does not apply to:

- (1) Liability assumed by the insured under an insured contract; or

(2) Bodily injury arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

b. Property damage to:

- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured.

C. LIMITS OF COVERAGE CONDITIONS

The Each Accident Limit indicated in the Primary Liability Declarations is the most we will pay for the sum of all damages because of bodily injury and property damage arising out of any one accident.

D. DEFINITIONS

1. The definition of insured of Section H. does not apply to this Section N. The following definition of Insured applies:

Insured:

Each of the following is an Insured under this Section N. to the extent set forth below:

- a. You;
- b. Any other person using a hired auto with your permission;
- c. For a nonowned auto;
 - (1) Any partner or executive officer of yours; or
 - (2) Any employee of yours, but only while such nonowned auto is being used in your operations; and

SECTION O MEDICAL PAYMENTS

This Section applies only if a "Yes" is indicated in the Coverages Provided section of the Policy Declarations and a Limit of Coverage is shown for Section O. in the Primary Liability Declarations.

Except as expressly described below, this Section is subject to Section A., General Conditions Applicable to this Entire

- d. Any other person or organization, but only for their liability because of acts or omissions of an insured under a., b. or c. above.

None of the following is an insured:

- a. Any person engaged in the business of his or her employer for bodily injury to any co-employee of such person injured in the course of employment or to the spouse, child, parent, brother or sister of that co-employee as a consequence of such bodily injury, or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
- b. Any partner or executive officer for any auto owned by such partner or officer or a member of his or her household;
- c. Any person while employed in or otherwise engaged in duties in connection with an auto business other than an auto business you operate;
- d. The owner or lessee (of whom you are a sublessee) of a hired auto or the owner of a non-owned auto or any agent or employee of such owner or lessee; or
- e. Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

2. The following additional definition applies to this section:

Auto business means the business or occupation of selling, repairing, servicing, storing or parking autos.

Policy and to Section H., Terms & Conditions Applicable to Primary Liability Insurance.

A. COVERAGE AGREEMENT

1. We will pay medical expenses as described below for bodily injury caused by an accident:
 - a. On premises you own or rent;

- b. Within ten (10) feet of the premises you own or rent; or
 - c. Because of your operations, provided that:
 - i. The accident takes place in the Coverage Territory and during the Term of Coverage shown in the Policy Declarations;
 - ii. The **bodily injury** must be discovered and treated within one year of the date of the accident;
 - iii. The expenses are incurred within three years of the date of the accident provided treatment is commenced within one year of the date of the accident; and
 - iv. The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
2. We will make these payments regardless of fault. We will pay reasonable expenses for:
- a. First aid at the time of an accident;
 - b. Necessary medical, surgical, x-ray and dental services, eyeglasses, contact lenses, hearing aids, drugs, therapy and prosthetic devices; and
 - c. Necessary ambulance, hospital, professional nursing and funeral services.

B. EXCLUSIONS

Except as expressly described below, this Section is subject to B. Common Exclusions, of Section H., Terms & Conditions Applicable To Primary Liability Insurance.

This following additional Exclusion is added to this Section O.:

We will not pay expenses for bodily injury:

- To any **insured**, except volunteers.
- To any **employee** of an insured.
- To any person who resides at locations, premises or facilities owned, leased or operated by the Named Insured.
- To a person injured while practicing, instructing or participating in any athletics activities, physical exercises or games, sports, or athletic practices or contests.

C. SUPPLEMENTARY PAYMENTS CONDITIONS

C., Common Supplementary Payments Conditions, of Section H. does not apply to this Section.

D. LIMITS OF COVERAGE CONDITIONS

The following additional Limits of Coverage Conditions apply to Section O.:

1. The Medical Payments (Section O.) Per Person Limit indicated in the Primary Liability Declarations is the most we will pay for all medical expenses sustained by any one person.
2. The Medical Payments (Section O.) Per Occurrence Limit indicated in the Primary Liability Declarations is the most we will pay for all medical expenses arising out of any one occurrence.
3. The Medical Payments (Section O.) Policy Year Annual Aggregate Limit indicated in the Primary Liability Declarations is the most we will pay for all medical expenses during each Policy Year.

These conditions apply in addition to those of Section H.

SECTION P EMPLOYEE BENEFIT ADMINISTRATION LIABILITY

**SECTION P PROVIDES
CLAIMS-MADE COVERAGE.
PLEASE READ THE COVERAGE CAREFULLY.**

This Section applies only if a "Yes" is indicated in the Coverages Provided section of the Policy Declarations and a Limit of Coverage is shown for Section P. in the Primary Liability Declarations.

Except as expressly described below, this Section is subject to Section A., General Conditions Applicable to this Entire Policy and to Section H., Terms & Conditions Applicable to Primary Liability Insurance.

A. COVERAGE AGREEMENT

We will pay those sums that the insured becomes legally obligated to pay as damages because of claims arising out of employee benefit administration to which this insurance applies. Coverage only applies to such claims first made in writing against the insured during the Term of Coverage shown in the Policy Declarations if the insured, at the effective date of this policy, had no knowledge of or could not have reasonably foreseen any circumstances resulting in the claim being made. The employee benefit administration must take place within the Coverage Territory.

Also:

1. We have the right and duty to defend the insured against any suit seeking damages to which this insurance applies. We will not provide a defense or pay attorneys fees or defense costs, however, for any loss, claim proceeding, suit or any other legal or administrative action or part thereof to which this insurance does not apply and/or for which there is no coverage or indemnification afforded except at our sole discretion.
2. The amount we will pay for damages is limited as described in the Primary Liability Declarations and D., Limits of Coverage Conditions of this Section.
3. We may investigate any claim and settle any claim or suit at our discretion.
4. Our right and duty to defend ends when we have paid the applicable Limit of Coverage or otherwise exhausted the Employee Benefit Administration Liability (Section P.) Policy Year Annual Aggregate Limit shown in the Primary Liability Declarations.
5. If this insurance does not apply, we have no duty to defend.
6. We will not pay defense costs nor shall we be obligated to provide a defense for claims or legal actions in any way requesting punitive or exemplary damages, except at our discretion.
7. A claim by a person or organization seeking damages will be deemed to have been made when notice of such claim is received and recorded by any insured or by us, whichever comes first.
8. All claims for damages causing loss to any one person, including the person's dependents and beneficiaries, or organization as a result of employee benefit administration will be deemed to have been made at the time the first of those claims is made against any insured.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under paragraph C., Supplementary Payments Conditions.

B. EXCLUSIONS

1. Inapplicable Section H. Exclusions

Exclusions 1. through 24. of Section H. do not apply to this Section P.

2. The following Exclusions are added to this Section P.:

This insurance does not apply to:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

- b. Bodily injury, property damage, Or Personal and Advertising Injury
Bodily injury, property damage, or personal and advertising injury.
- c. Failure to Perform a Contract
Damages arising out of failure of performance of contract by any insurer.
- d. Insufficiency of Funds
Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the employee benefit program.
- e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation
Any claim based upon:
 - (1) Failure of any investment to perform;
 - (2) Errors in providing information on past performance of investment vehicles; or
 - (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the employee benefit program.
- f. Workers' Compensation And Similar Laws
Any claim arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.
- g. ERISA
Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.
- h. Available Benefits
Any claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.
- i. Taxes, Fines Or Penalties
Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.
- j. Employment-Related Practices
Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

C. SUPPLEMENTARY PAYMENTS CONDITIONS

Subparagraph 2. of C., Supplementary Payments of Section H, does not apply to this Section.

D. LIMITS OF COVERAGE CONDITIONS

The following additional Limits of Coverage Conditions apply to Section P.:

1. The Employee Benefits Administration Liability (Section P.) Each Claim Limit indicated in the Primary Liability Declarations is the most we will pay for the sum of all damages arising out of a single claim.
2. The Employee Benefits Administration Liability (Section P.) Policy Year Annual Aggregate Limit indicated in the Primary Liability Declarations is the most we will pay for all claims for liability arising out of employee benefit administration during each Policy Year.

E. DEFINITIONS

The following additional definitions apply or are modified for Section P.:

1. **Claim** means a written demand received by any insured for damages alleging liability of the insured arising out of employee benefit administration, including the institution of a suit for such damages against an insured.
2. The definition of **insured** of Section H. does not apply.
 - a. For purposes of this Section P., **insured** means you and all of your executive officers and directors, and employees but only while acting to provide authorized employee benefit administration.
 - b. Any organization (other than a joint venture, limited liability company, or a partnership) newly acquired or formed by you, and in which you have a majority interest is also an **insured**.

Such an organization is not an **insured**:

- i. If there is other similar coverage available to it;
- ii. After 90 days immediately following that acquisition or formation or upon expiration or cancellation of the policy, whichever is earlier;
- iii. For employee benefit administration activities that occurred prior to the acquisition or formation.

No person or organization is an **insured** with respect to the conduct of a current or past partnership or joint venture that is not shown on the Policy Declarations as an **insured**.

F. EXTENDED REPORTING PERIOD

1. If we cancel or nonrenew this Section and coverage is not replaced, an Extended Reporting Period will be provided, covering claims first made against any insured during the period of twelve (12) months immediately following the date of such cancellation or nonrenewal, but only with respect to any employee benefit administration activities committed before the date of such cancellation or nonrenewal.
2. A claim first made during the Extended Reporting Period will be deemed to have been made on the last day insurance was provided by this Section.
3. The Extended Reporting Period does not extend the Term of Coverage shown in the Policy Declarations or change the scope of coverage.
4. The Extended Reporting Period does not reinstate or increase the Limits of Coverage applicable to any claim to which this Section applies.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 1
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured Extension

Asociacion De Puertorriquenos En Marcha, Inc.
Pradera Corp.
APM, Inc.
APM Properties, Inc.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

Policy No.: TMP3718014-12	Endorsement No.: 2
Insured: Asociacion De Puertorriquenos	Effective Date: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

Multiple Peril Policy

1. Paragraph C. Cancellation and Nonrenewal in Section A. General Conditions Applicable To This Entire Policy is deleted and replaced by the following:

C. Cancellation, Nonrenewal and Increase of Premium

1. Cancellation

The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.

a. Cancellation Requirements

(1) Policies In Effect for Less Than 60 Days

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

(2) Cancellation Of Policies In Effect For 60 Days or More

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

(a) You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.

(b) You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.

- (c) A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- (d) Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- (e) Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- (f) Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed to us.

- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, it will be by registered or first class mail. Proof of mailing is sufficient proof of notice.

2. Nonrenewal

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

Any notice of nonrenewal will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail.

Proof of mailing will be sufficient proof of notice.

3. Increase of Premium

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

2. Paragraph P. Transfer Of Your Rights And Duties Under This Policy in Section A. General Conditions Applicable To This Entire Policy is deleted and replaced by the following:

P. Transfer Of Your Rights And Duties Under This Policy

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

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

If you die, this Policy will remain in effect as provided in 1. or 2. below, whichever is later:

1. For 180 days after your death regardless of the policy period shown in the Declarations, unless the insured property is sold prior to that date; or

2. Until the end of the policy period shown in the Declarations, unless the covered property is sold prior to that date.

Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

3. Paragraph C.4. Loss Payment in C. Loss Conditions in Section B. Terms & Conditions - All Property And Related Coverages is amended to include the following:

f. Notice of Acceptance or Denial of Claim

- (1) Except as provided in (3) below, we will give you notice, within 15 working days after we receive a properly executed proof of loss, that we:
 - (a) Accept your claim;
 - (b) Deny your claim; or
 - (c) Need more time to determine whether your claim should be accepted or denied.

If we deny your claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

- (2) If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in (1)(c) above, and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim.
- (3) The notice procedures in (1) and (2) above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 3
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYEE

This endorsement modifies insurance provided under the following **General Property Coverage (Section C.)**, **Specified Personal Property Coverage (Section E.)** and **Computer Coverage (Section F.)**.

The following is named as Loss Payee, as their interest may appear:

Bank of America NA
CT2-515-02-12
70 Batterson Park Rd.
Farmington, CT 06032

Stewart Business Systems
RE: Ricoh Copiers
105 Connecticut Dr.
Burlington Twp, NJ 08016

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 4
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL AMENDATORY

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE NONPROFIT MULTIPLE PERIL POLICY.

THE PROPERTY PREMIUM CHARGE FOR THIS MULTIPLE PERIL POLICY HAS BEEN RATED USING A RATE APPLIED AGAINST YOUR TOTAL INSURABLE VALUES AS OF 12/1/10. WE AGREE WITH YOU, TO CONTINUE TO CHARGE FOR THIS COVERAGE IN THIS MANNER, USING THE FOLLOWING RATES APPLICABLE TO YOUR PROPERTY VALUES, PROVIDED YOUR CUMULATIVE PACKAGE LOSS RATIO DOES NOT EXCEED 40%.

POLICY PERIOD EFFECTIVE	RATE PER \$100. OF VALUES
12/31/11	\$.20
12/31/12	\$.20
12/31/13	\$.20

THE LIABILITY PREMIUM CHARGE FOR THIS MULTIPLE PERIL POLICY (WITH THE EXCEPTION OF MEDICAL PROFESSIONAL LIABILITY) HAS BEEN RATED USING A RATE APPLIED AGAINST YOUR TOTAL OPERATING EXPENSES OF (\$ To Be Determined) AS REPORTED TO US ON YOUR JUNE 30, 2007 CONSOLIDATED FINANCIAL STATEMENT. WE AGREE WITH YOU, TO CONTINUE TO CHARGE FOR THIS COVERAGE IN THIS MANNER, USING THE FOLLOWING RATES APPLICABLE TO YOUR TOTAL OPERATING EXPENSES AS SHOWN ON RESPECTIVE ANNUAL YEAR END FINANCIAL STATEMENT FOR THE TERMS SHOWN, PROVIDED YOUR CUMULATIVE PACKAGE LOSS RATIO DOES NOT EXCEED 40%.

POLICY PERIOD EFFECTIVE	RATE PER \$1,000 OF EXPENSES
12/31/11	\$14.00
12/31/12	\$14.00
12/31/13	\$14.00

PREMIUM CHARGE WILL BE ADJUSTED EACH YEAR BASED UPON LATEST AUDITED FINANCIAL STATEMENT AVAILABLE AT EFFECTIVE DATE OF POLICY.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

GENERAL AMENDATORY

FOR THE PURPOSE OF THIS RATING STRUCTURE, LOSS RATIO SHALL BE DEVELOPED BY DIVIDING THE PRO-RATA EARNED PREMIUM FOR THE POLICIES ISSUED, BY THE LOSS RUN ON RECORD AS OF OCTOBER 15, 2011 AND 2012. LOSSES WILL INCLUDE PAID LOSSES, PAID LOSS ADJUSTMENT EXPENSES, ESTIMATED LOSS RESERVES ON OPEN CLAIMS, AS WELL AS ESTIMATED LOSS ADJUSTMENT EXPENSES FOR YOUR OPEN CLAIMS AS OF THE DATE OF THE REVIEW.

IN THE EVENT YOUR PACKAGE LOSS RATIO EXCEEDS 40%, THE RATING STRUCTURE WOULD BE DEVELOPED UTILIZING LOSS, EXPOSURE AND EXPENSE INFORMATION AT THE TIME OF THE REVIEW.

WE RESERVE THE RIGHT TO RESERVE OPEN CLAIMS AND LOSS ADJUSTMENT EXPENSES BASED ON THE INDIVIDUAL MERITS OF EACH CLAIM SUBMITTED.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 5
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OMNIBUS ADDITIONAL INSURED ENDORSEMENT

It is agreed that the following are Additional Insureds under this policy only if and to the extent required by contract with the Named Insured and then solely with respect to the Additional Insured's liability arising from the operations, acts and omissions of the Named Insured or with respect to the Additional Insured's liability arising from property owned or controlled by the Named Insured:

Any person or organization required to be named as an Additional Insured in a written contract or agreement and approved by us as an Additional Insured.

No coverage is provided under this policy to any Additional Insured for liability arising out of its own operations or premises, unless the Additional Insured's premises are leased to or controlled by the Named Insured and, then, only for liability of the Additional Insured arising out of Named Insured's use thereof.

No coverage is provided under this policy to subcontractors, joint ventures or venture partners unless specifically named by endorsement to this policy.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 6
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED MORTGAGEE

This endorsement modifies insurance provided under the following:

General Property Coverage (Section C.).

The following named entity is named as Mortgagee, subject to the terms and conditions of the Mortgagee Holders Clause of this policy:

Bank of America NA - Mail Code: FL9-100-03-26
CREB Collateral Administration Insurance Group
P.O. Box 40329
Jacksonville, FL 32203

American Street Financial Serv
2530 North 2nd Street
2nd Floor
Philadelphia, PA 19133

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

Policy No.: TMP3718014-12	Endorsement No.: 7
Insured: Asociacion De Puertorriqueños	Effective Date: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT;
CAP ON LOSSES FROM ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

Multiple Peril Policy

A. 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 85% 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 Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

B. The following provisions are added to the Multiple Peril Policy and apply to Property and Liability Coverages:

Cap on Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

If aggregate Insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) 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.

- C. The following provision is added to the Multiple Peril Policy and applies to Property Coverages:

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 policy, such as losses excluded by the Nuclear Hazard Exclusion or the War and Military Action Exclusion.

- D. **Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to this coverage is: \$0.00.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 8
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES

This endorsement modifies insurance provided under the following:

Multiple Peril Policy - Section H. through and including Section P.

This insurance applies only to those operations of the Named Insured at the address indicated below and only for the Coverage Parts that are so indicated in the Declarations.

This policy excludes all loss, expense, claims or occurrences arising out of the Named Insured's operations not specifically scheduled below.

Scheduled Premises

As indicated on Declarations (Coverage C, General Property and Coverage D, Income Protection and Extra Expense) pages or added by endorsement.

This is an absolute exclusion. We have no obligation to defend or indemnify the above Insured or any others who may claim coverage under this policy.

This endorsement is effective at the inception of the policy unless otherwise noted above.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 9
INSURED: Asociacion De Puertorriqueños	EFFECTIVE DATE: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEACHERS' LIABILITY

This endorsement modifies insurance provided under **Social Work, Foster Care and Counseling Liability (Section K.)** of this policy.

Paragraph A. Coverage Agreements is amended by the addition of the following:

We will pay those sums that the insured becomes legally obligated to pay as damages arising out of teaching activities of the insured. Teaching Activities means acts or omissions in connection with the provision of educational or instructional services to pupils or students of the named insured actually occurring during the Term of Coverage.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014~12	ENDORSEMENT NO.: 10
INSURED: Asociacion De Puertorriqueños	EFFECTIVE DATE: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED FIRE & WATER DAMAGE LEGAL LIABILITY LIMIT

This endorsement modifies insurance provided under **Section I. Bodily Injury and Property Damage Liability, Paragraph C. Limits of Coverage Conditions:**

The \$100,000 per occurrence limit of liability stated in Subparagraph b. is deleted and the following figure is applicable:

\$500,000 Each Occurrence Limit

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

Policy No.: TMP3718014-12	Endorsement No.: 11
Insured: Asociacion De Puertorriquenos	Effective Date: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIMS-MADE ENDORSMENT

The following Coverage Agreements of this policy are hereby amended to only apply to claims which are first made against the Insured and reported to First Nonprofit Insurance Company during the term of this policy or the applicable Extended Reporting Period:

Coverage J:	Sexual Abuse Liability
Limit of Coverage:	\$500,000 each claim Limit \$500,000 annual policy limit

Further, claims first made or first reported after the termination of this policy and any applicable Extended Reporting Period are not insured by this policy. This insurance does not apply to Sexual Abuse Liability, which occurred before 10/06/1998, the Retroactive Date.

A claim by a person or organization seeking damages will be deemed to have been first made when notice of such claim is received and recorded by any insured or by us, whichever comes first.

A claim will only be first reported to First Nonprofit Insurance Company when written notice of the claim is received by First Nonprofit at its office in Chicago, Illinois.

All claims for damages to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

Extended Reporting Periods

1. We will provide one or more Extended Reporting periods, as described below, if:
 - a. The Claims-First-Made-and-Reported-Coverage under this policy is cancelled or not renewed; or
 - b. We renew or replace this insurance coverage with insurance that:
 - i. Has a Retroactive Date later than this policy's Retroactive Date; or
 - ii. Does not apply for damages for Sexual Abuse Liability on a Claims-First-Made-And-Reported basis.
2. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the "policy year" and lasts for 60 days. The Basic Extended Reporting Period does not apply to claims covered under any subsequent insurance you purchase.

Alternatively, up to 3 Supplemental Extended Reporting Periods of twelve (12) months each are available, but only if added by endorsement and for an additional premium charge. This supplemental period starts for 60 days after the end of the "policy year."

You have the right to select the number of Supplemental Extended Reporting Periods you desire. Up to three (3) Supplemental Extended Reporting Periods of twelve (12) months each may be chosen. An additional premium charge of seventy-five (75) percent of the current policy premium is immediately due for each Supplemental Extended Reporting Period chosen.

You must give us a written request for the endorsement within 60 days of the cancellation or nonrenewal. Your request should specify the length of the Supplemental Extended Reporting Period desired. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and unless you make written request within 60 days of policy cancellation or nonrenewal.

3. The Supplemental Extended Reporting Periods do not extend the "policy year" or change the scope of coverage provided. Subject otherwise to the policy's term, limits of liability, exclusions and conditions, the policy is extended to apply to claims first made against the insured during the Period, but only to claims because of damages sustained before the end of the "policy year" (but not before the Retroactive Date).

The Supplemental Extended Reporting Periods do not reinstate or increase the limits of liability of the policy. Claims for injury which are first received and recorded during the Basic Extended Reporting Period or during the Supplemental Reporting Period, if it is in effect, will be deemed to have been made on the last day of the "policy year."

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

Policy No.: TMP3718014-12	Endorsement No.: 12
Insured: Asociacion De Puertorriqueños	Effective Date: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIMS-MADE ENDORSMENT

The following Coverage Agreements of this policy are hereby amended to only apply to claims which are first made against the Insured and reported to First Nonprofit Insurance Company during the term of this policy or the applicable Extended Reporting Period:

Coverage L:	Medical Liability
Limit of Coverage:	<u>\$1,000,000</u> each claim Limit <u>\$3,000,000</u> annual policy limit

Further, claims first made or first reported after the termination of this policy and any applicable Extended Reporting Period are not insured by this policy. This insurance does not apply to Medical Liability, which occurred before 12/31/2000, the retroactive date.

A claim by a person or organization seeking damages will be deemed to have been first made when notice of such claim is received and recorded by any insured or by us, whichever comes first.

A claim will only be first reported to First Nonprofit Insurance Company when written notice of the claim is received by First Nonprofit at its office in Chicago, Illinois.

All claims for damages to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

Extended Reporting Periods

1. We will provide one or more Extended Reporting periods, as described below, if:
 - a. The Claims-First-Made-and-Reported-Coverage under this policy is cancelled or not renewed; or
 - b. We renew or replace this insurance coverage with insurance that:
 - i. Has a Retroactive Date later than this policy's Retroactive Date; or
 - ii. Does not apply for damages for Medical Liability on a Claims-First-Made-And-Reported basis.
2. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the "policy year" and lasts for 60 days. The Basic Extended Reporting Period does not apply to claims covered under any subsequent insurance you purchase.

Alternatively, up to 3 Supplemental Extended Reporting Periods of twelve (12) months each are available, but only if added by endorsement and for an additional premium charge. This supplemental period starts for 60 days after the end of the "policy year."

You have the right to select the number of Supplemental Extended Reporting Periods you desire. Up to three (3) Supplemental Extended Reporting Periods of twelve (12) months each may be chosen. An additional premium charge of seventy-five (75) percent of the current policy premium is immediately due for each Supplemental Extended Reporting Period chosen.

You must give us a written request for the endorsement within 60 days of the cancellation or nonrenewal. Your request should specify the length of the Supplemental Extended Reporting Period desired. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and unless you make written request within 60 days of policy cancellation or nonrenewal.

3. The Supplemental Extended Reporting Periods do not extend the "policy year" or change the scope of coverage provided. Subject otherwise to the policy's term, limits of liability, exclusions and conditions, the policy is extended to apply to claims first made against the insured during the Period, but only to claims because of damages sustained before the end of the "policy year" (but not before the Retroactive Date).

The Supplemental Extended Reporting Periods do not reinstate or increase the limits of liability of the policy. Claims for injury which are first received and recorded during the Basic Extended Reporting Period or during the Supplemental Reporting Period, if it is in effect, will be deemed to have been made on the last day of the "policy year".

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

Policy No.: TMP3718014-12	Endorsement No.: 13
Insured: Asociacion De Puerorriquenos	Effective Date: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SHARED LIABILITY LIMIT

This endorsement modifies insurance provided under the following:

This is a special amendment to this policy. This amendment applies to all third party liability claims under this policy regardless of any previous language to the contrary which may be contained in this policy.

In the event of an accident, occurrence or claim insured under Section I., J., K., L., M., N., O. or P. of this policy and also insured under another policy issued by this company, First Nonprofit Insurance Company to (See Schedule) as the named insured, then this policy is changed as follows:

The most we will pay in any one occurrence, accident, medical incident, personal injury, sexual abuse occurrence, social work occurrence or corporal punishment occurrence is \$1,000,000 per occurrence, incident, accident or claim. The intent of this amendment is that the \$1,000,000 limit will be shared between and among the parties insured under the two policies rather than combining the limits of each policy to increase the limit beyond \$1,000,000.

The consideration from First Nonprofit Insurance Company to the parties for having agreed to this shared limit is that First Nonprofit Insurance Company has reduced its premium from the level that would otherwise apply.

SCHEDULE

Borinquen Associates

Borinquen Associates II, LP

Taino Gardens, LP

One APM Plaza Associates

Two APM Plaza Associates

Regugio De Amor T/A Hogar De Espananza

Escalera Associates, LP

Pradera Corporation T/A Sheridan Street Housing

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

Policy No.: TMP3718014-12	Endorsement No.: 14
Insured: Asociacion De Puerorriquenos	Effective Date: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIMS-MADE ENDORSEMENT

The following Coverage Agreements of this policy are hereby amended to only apply to claims which are first made against the Insured and reported to First Nonprofit Insurance Company during the term of this policy or the applicable Extended Reporting Period:

Coverage J:	Sexual Abuse Liability
Limit of Coverage:	<u>\$1,000,000</u> each claim Limit <u>\$1,000,000</u> annual policy limit

Further, claims first made or first reported after the termination of this policy and any applicable Extended Reporting Period are not insured by this policy. This insurance does not apply to Sexual Abuse Liability, which occurred before 12/31/2000, the Retroactive Date.

A claim by a person or organization seeking damages will be deemed to have been first made when notice of such claim is received and recorded by any insured or by us, whichever comes first.

A claim will only be first reported to First Nonprofit Insurance Company when written notice of the claim is received by First Nonprofit at its office in Chicago, Illinois.

All claims for damages to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

Extended Reporting Periods

1. We will provide one or more Extended Reporting periods, as described below, if:
 - a. The Claims-First-Made-and-Reported-Coverage under this policy is cancelled or not renewed; or
 - b. We renew or replace this insurance coverage with insurance that:
 - i. Has a Retroactive Date later than this policy's Retroactive Date; or
 - ii. Does not apply for damages for Sexual Abuse Liability on a Claims-First-Made-And-Reported basis.
2. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the "policy year" and lasts for 60 days. The Basic Extended Reporting Period does not apply to claims covered under any

subsequent insurance you purchase.

Alternatively, up to 3 Supplemental Extended Reporting Periods of twelve (12) months each are available, but only if added by endorsement and for an additional premium charge. This supplemental period starts for 60 days after the end of the "policy year."

You have the right to select the number of Supplemental Extended Reporting Periods you desire. Up to three (3) Supplemental Extended Reporting Periods of twelve (12) months each may be chosen. An additional premium charge of seventy-five (75) percent of the current policy premium is immediately due for each Supplemental Extended Reporting Period chosen.

You must give us a written request for the endorsement within 60 days of the cancellation or nonrenewal. Your request should specify the length of the Supplemental Extended Reporting Period desired. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and unless you make written request within 60 days of policy cancellation or nonrenewal.

3. The Supplemental Extended Reporting Periods do not extend the "policy year" or change the scope of coverage provided. Subject otherwise to the policy's term, limits of liability, exclusions and conditions, the policy is extended to apply to claims first made against the insured during the Period, but only to claims because of damages sustained before the end of the "policy year" (but not before the Retroactive Date).

The Supplemental Extended Reporting Periods do not reinstate or increase the limits of liability of the policy. Claims for injury which are first received and recorded during the Basic Extended Reporting Period or during the Supplemental Reporting Period, if it is in effect, will be deemed to have been made on the last day of the "policy year."

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

Policy No.: TMP3718014-12	Endorsement No.: 15
Insured: Asociacion De Puerorriquenos	Effective Date: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VACANT OR UNOCCUPIED BUILDINGS

- A. Paragraph 7, Vacancy of Subsection C. Loss Conditions of Section B. Terms & Conditions of Form PKG 1001 is deleted in its entirety and replaced by the following.
- B. By purchase of this policy, the Named Insured has represented to First Nonprofit Insurance Company that all buildings otherwise insured under Sections B, C, D, E and F of this policy are occupied and shall remain occupied during the entire term of this policy.
- C. New Loss Condition: The following Loss Condition applies:

VACANT OR UNOCCUPIED BUILDING LOSS CONDITIONS

- 1. This Loss Condition applies to each building otherwise insured under this policy that is **vacant or unoccupied** at the time of the loss.
- 2. Further, with respect to any and all perils or causes of loss insured under this policy, First Nonprofit Insurance Company affirmatively states and the insured agrees that any building insured under Sections B, C, D, E or F of this policy which is **vacant or unoccupied** has materially affected the acceptance of the risk and hazard assumed under this policy and that should any building be or become **vacant or unoccupied** during the term of this policy that the insurance of this policy relating to that building is subject to the conditions which follow:

- a. **Coverage Agreement**

We will pay for loss or damage to **vacant or unoccupied** buildings and personal property therein from the perils stated in **Cause of Loss** below, and subject to any other applicable terms and conditions of this endorsement and the policy. No coverage for loss of **income or extra expense** shall be paid if such loss of **income or extra expense** results from or is caused by loss or damage to a **vacant or unoccupied** building or personal property therein. No **Additional Coverage except Debris Removal and Fire Department Service Charge** shall apply to loss or damage to a **vacant or unoccupied** building or personal property therein. The

additional funds payable as limitations provided for in the exclusions for **Ordinance or Law; Water; Fungus Mold, Mildew, Wet Rot Dry Rot and Bacteria** shall not be payable, if otherwise applicable, for any loss or damage to a **vacant or unoccupied** building.

b. **Security**

We will not pay for loss or damage to a **vacant or unoccupied** building or to any personal property therein, otherwise insured under this policy, from any peril unless all of the following requirements are met at the time of the loss.

- (1) All ground floor windows must be intact, secured or boarded.
- (2) All doors must be locked and secured.
- (3) All buildings must be inspected by the Named Insured weekly, with a concurrent record maintained as to what conditions in and about the building were found during each inspection.
- (4) The building's heating systems must be operable and kept on during the normal heating season with the heat maintained within the building at a minimum of 50° F.

c. **Cause of Loss**

- (1) We will not pay for loss or damage occurring to a building, personal property therein, or loss of income or extra expense as a result thereof, otherwise insured under this policy, if said building is **vacant or unoccupied** unless such loss or damage is caused by fire or lightning. In the event fire or lightning causes a loss or damage to said property, loss or damage from any other cause is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the fire or lightning loss.
- (2) In the event loss or damage occurs from a peril which would otherwise be insured under this policy and fire ensues causing loss or damage to the property, we will pay for the loss or damage by the fire only, subject to the terms of this Loss Condition and other applicable terms and conditions of this policy.

d. **Valuation**

We will determine the value of loss to a **vacant or unoccupied** building and personal property therein that complies with the

security requirements of subparagraph C.2.b. above, and is otherwise insured by this endorsement and the policy at 85% of the Actual Cash Value at the time of such loss, even if the Declarations indicate that Replacement Cost or Functional Value apply.

e. **Deductible**

Each loss at a **vacant** or **unoccupied** building that complies with the security requirements of subparagraph C.2.b. above and is otherwise insured by this endorsement and the policy will be subjected to a \$25,000 deductible.

f. **Additional Definitions**

For purposes of this endorsement, the following definitions apply.

(1) A **vacant** building shall be any structure which for a period of 60 days or more is:

- (a) without content or occupancy by an **insured** or a tenant of the **insured**;
- (b) not actively utilized in the day-to-day operations of the insured or the insured's tenant; or
- (c) without sufficient personal property and/or fixtures to conduct the insured's or an insured's tenant's normal occupancy and/or operations.

A **vacant** building does not include a seasonal camp building, other seasonal buildings, a new building while under construction, or an existing structure currently being renovated or rehabilitated, and has not been used for its intended purpose for a period of at least 60 consecutive days immediately prior to the date of loss.

(2) An **unoccupied** building shall be any structure which for a period of 60 days or more is not occupied by or utilized in the operations of the insured or a tenant of the insured although the personal property and/or fixtures have not been removed.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

Policy No.: TMP3718014-12	Endorsement No.: 16
Insured: Asociacion De Puertorriquenos	Effective Date: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MEDICAL LIABILITY COVERAGE TO INCLUDE PHYSICAL THERAPY

This endorsement modifies insurance provided under the following:

Multiple Peril Policy

Section L.

Medical Liability

Section L. Medical Liability, paragraph B. Exclusions, item 2. Professional Services is deleted and replaced with the following:

2. Professional Services

Exclusion 11. Professional Services, of Section H. does not apply to this Section and the following Exclusion is added to this Section L:

Any damages arising out of the rendering or failure to render professional services, other than healthcare services and physical therapy, including, but not limited to veterinary services, **social work, foster care services, psychological counseling, psychological therapy, psychological evaluation for program placement, legal, accounting, financial, appraisal, architectural, cosmetic, massage, optical, optometric, ear piercing and engineering services.**

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 17
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 01/29/2013

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL AMENDATORY

The following loss payee/mortgagee is added:

PNC Bank, National Association
Commercial Loan Service Center/DCC
500 First Avenue
4th Floor, P7-PFSC-04-L
Pittsburgh, PA 15129

(Re: Location #1, 4221-4241 N. 2nd St., & 4301-07 Rising Sun. Ave., Philadelphia,
PA 19140)

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 18
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 08/19/2013

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL AMENDATORY

The following location is added to the policy, subject to all terms and conditions of all forms attached, for the coverage(s) shown:

Location #011-001
Address: 1900 N. 9th Street, Philadelphia, PA 19122
Coverage: Personal Property (Including Tenants and Betterments)
Limits: \$2,500,000
Deductible: \$1,000
Valuation: RC

Primary Liability Insurance, Optional Coverages I-P, as provided by this policy, is extended to include the above location.

Additional Premium: [REDACTED]

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 19
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 08/19/2013

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED OPERATIONS EXCLUSION

This endorsement modifies insurance provided under the following:

Multiple Peril Policy - Section H. through and including Section P.

The following operations are excluded from coverage:

Installation Work

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 20
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL AMENDATORY

Crime Declarations Section G. is amended as follows:

Employee Benefit Plans is amended to include the following:

APM Pension Plan ING 457
APM Pension Plan 403B

The following loss payee is deleted:

Stewart Business Systems
105 Connecticut Drive
Burlington Twp, NJ 08016

The following loss payees are added:

LEAF
P.O. Box 644006
Cincinnati, OH 45264

Cannon Financial Services, Inc.
14904 Collections Center Drive
Chicago, IL 60693

The following mortgagee is deleted:

American Street Financial Services
2530 N. 2nd Street 2nd Floor
Philadelphia, PA 19133

The following mortgagee is added:

Finanta
1301 N. 2nd Street
Philadelphia, PA 19122
(With respects to location 008, 1116-1118 E. Luzerne St., Philadelphia, PA 19121)

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 21
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 08/19/2013

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL AMENDATORY

Endorsement no: 19 is declared NULL and VOID and is entirely DELETED from this policy.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 22
INSURED: Asociacion De Puertorriquenos	EFFECTIVE DATE: 09/13/2013

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL AMENDATORY

The following mortgagee/loss payee is deleted:

Bank of America NA
CT2-515-02-12
70 Batterson Park Rd
Farmington, CT 06032

Blanket Building, Personal Property of Insured limit of coverage is increased from \$12,019,000 to \$15,429,000.

Blanket Income Protection limit of coverage is increased from \$999,000 to \$1,446,000.

Location 001, 4224-4241 N. 2nd St. & 4301-07 Rising Sun Avenue, Philadelphia, PA 19140 Personal Property limit of coverage is increased from \$450,000 to \$1,000,000, Income Protection limit of coverage is increased from \$500,000 to \$750,000 included in the above blanket limit.

Location 003, 2203 Germantown Avenue, Philadelphia, PA 19122 Personal Property limit of coverage is increased from \$10,000 to \$20,000 and add income protection for a limit of \$25,000 included in the above blanket limit.

Location 005, 3263-65 N. Front St., Philadelphia, PA 19122 Personal Property limit of coverage is increased from \$100,000 to \$150,000, Income Protection is increased from \$220,000 to \$250,000 included in the above blanket limit.

Location 007, 445-447 W. Lurray Street, Philadelphia, PA 19124 Personal Property limit of coverage is decreased from \$100,000 to \$50,000 and Business Income is deleted.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

GENERAL AMENDATORY

Location 008, 1116-1118 E. Luzerne St., Philadelphia, PA 19124 Personal Property limit of coverage is decreased from \$100,000 to \$50,000 and increase Income Protection limit of coverage from \$33,000 to \$50,000 included in the above blanket limit.

Location 009, 2319-21 N. 7th Street, Philadelphia, PA 19122 add Income Protection limit of coverage \$25,000 included in the above blanket limit.

Location 010, 2316-18 N. Marshall, Philadelphia, PA 19122 Income Protection limit of coverage is increased from \$100,000 to \$250,000 included in the above blanket limit.

The following locations are added to the policy, subject to all terms and conditions of all forms attached, for the coverage(s) shown:

Location #012

Address: 1038 W. Sedgley Avenue, Philadelphia, PA 19133
Coverage: Personal Property
Limits: \$200,000 (Included in the above blanket limits)
Deductible: \$1,000
Valuation: RC

Location #013

Address: 2603 N. 5th Street, Philadelphia, PA 19133
Coverage: Personal Property
Limits: \$200,000 (Included in the above blanket limits)
Deductible: \$1,000
Valuation: RC

Primary Liability Insurance, Optional Coverages I-P, as provided by this policy, is extended to include the above locations.

Declarations Section F. Computers is amended:

1. Limits of Coverage loss or damage occurring on premises owned or leased by the Named Insured Equipment Limit is increased from \$240,000 per loss to \$500,000.

Crime Declarations Section G is amended as follows:

Employee Benefit Plans -APM Center Profit Sharing Plan is deleted.

Forgery or Alteration is added with a \$50,000 Per Occurrence Limit, Deductible Amount \$1,000 Per Occurrence.

Theft of Money and Securities limit of Coverage is increased from \$10,000 to 20,000.

Additional Premium: [REDACTED]

POLICY NO.: TMP3718014-12	ENDORSEMENT NO.: 23
INSURED: Asociacion De Puertorriqueños	EFFECTIVE DATE: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL AMENDATORY

This endorsement modifies coverage provided under the following:

Section L
Medical Liability

Subject to the terms and conditions of this policy, an Extended Reporting Period is provided in accordance to Endorsement 12, Claims-Made Endorsement, Coverage L, Medical Liability, as follows:

Extended Reporting Period: From 12/31/2013 To 12/31/2014

Additional Premium: [REDACTED]

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FIRST NONPROFIT INSURANCE COMPANY,

v.

ASOCIACION PUERTORRIQUEÑOS EN MARCHA,
INC., et al.

***COMPLAINT FOR DECLARATORY
JUDGMENT***

EXHIBIT C



1 South Wacker Drive, Suite 2380
Chicago, IL 60606
312-715-3010

UMBRELLA LIABILITY POLICY GENERAL DECLARATIONS

Policy Number.: UXL3707348-12

Producer: Domenick & Associates

Renewal of Policy Number.: UXL3707348-11

1. Named Insured: Asociacion De Puertorriquenos En Marcha, Inc. (See Endorsement #1)

Mailing Address: 4301 Rising Sun Ave.
Philadelphia, PA 19140

2. Policy Period: From: 12/31/2012 To: 12/31/2013
12:01 a.m. Local Time at Mailing Address Above

3. Annual Premium: [REDACTED]

4. Limits of Insurance and Retention:

- a. \$1,000,000 Each Occurrence Limit
- b. \$1,000,000 General Aggregate Limit
- c. \$10,000 Retained Limit

5. Underlying Policies and Limits:

<u>Coverage</u>	<u>Limits</u>	<u>Insurer</u>	<u>Term</u>
General Liability	\$1,000,000/Occurrence \$3,000,000/Aggregate	First Nonprofit Insurance Company	12/31/2012 12/31/2013
TMP3718014-12			
Employer's Liability	\$500,000/Each Accident \$500,000/Disease Policy Limit \$500,000/Disease Each Employee	Travelers Indemnity Company	12/10/2012 12/10/2013
UB3986T84412			

Additional Forms Applicable To This Policy At Issuance: UMB 2001
Endorsements # 1-12

Date: January 3, 2013

By: _____
Authorized Representative
First Nonprofit Insurance Company

UMBRELLA LIABILITY POLICY

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

Throughout this policy the words you and your refer to the Named Insured shown in the Declarations and any other person or organization as a Named Insured under this policy. The words we, us, and our refer to First Nonprofit Insurance Company.

The word Insured means any person or organization qualifying as such under **Section IV - WHO IS AN INSURED**.

Other words and phrases that appear in bold print refer to various elements of this policy or have special meaning. Refer to **SECTION VI - DEFINITIONS**.

SECTION I – INSURING AGREEMENT

In consideration of the payment of the premium, and subject to all the exclusions, terms and conditions of this policy, we agree with you as follows:

- a. We will pay on behalf of the Insured all sums in excess of either:
 - (1) The Limit of Liability of applicable underlying insurance; or
 - (2) The retained limit indicated in Item 4.c. of the Declarations;

that the Insured becomes legally obligated to pay as damages because of injury to which this policy applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION II - DEFENSE AND SUPPLEMENTARY PAYMENTS**.

This insurance applies only if, prior to the Term of Coverage, neither you, any of your executive officers and directors while acting within the scope of their duties, nor any employee authorized to give or receive notice of an occurrence or claim, knew that the injury had occurred, in whole or in part. If you, any of your executive officers and directors while acting within the scope of their duties, or any authorized employee knew, prior to the Term of Coverage, that the injury occurred, then any continuation, change, or resumption of such injury during or after the Term of Coverage will be deemed to have been known prior to the Term of Coverage.

This insurance applies only to the following injury:

- (1) Bodily Injury or property damage:

The injury or damage must occur during the term of coverage and must be caused by an occurrence that takes place in the Coverage Territory.

- (2) Personal Injury:

Caused by an offense committed in the coverage territory during the policy period arising out of the conduct of your organization, excluding advertising, publishing, broadcasting or telecasting done by you or for you.

- (3) Advertising Injury:

Caused by an offense committed in the coverage territory during the policy period, and committed in the course of advertising your goods, products or services.

- b. Damages because of bodily injury include damages claimed by any person or organization for care, loss of services or death resulting at any time from the bodily injury.
- c. The amount we will pay for damages is limited as described in SECTION V - LIMITS OF INSURANCE AND RETAINED LIMIT.

SECTION II – DEFENSE AND SUPPLEMENTARY PAYMENTS

The term Insured means any person covered under the terms of this policy. Each of the following is an Insured under this policy to the extent set forth below:

a. Defense of Claims or Suits:

- (1) We have no duty to defend any claim or suit that any other insurer has a duty to defend. However, we have the right to join in the defense or trial of any claims or suit that another insurer has a duty to defend if we believe the claim or suit may create liability under this policy. If we avail ourselves of this right, we will pay any expenses we incur. If this insurance does not apply, we have no duty to defend.
- (2) We will defend any claim or suit against an Insured seeking damages because of injury to which this policy applies (including any claim or suit for damages wholly or partly within your retained limit) only when:
 - (a) The Injury is covered under this policy but not covered under any underlying insurance; or
 - (b) The underlying insurance has been exhausted by the payment of claims.

In countries other than the United States of America, including its territories and possessions, Puerto Rico or Canada, we may decide not to investigate, settle or defend an Insured because of laws or other reasons. Any time we elect not to investigate, settle or defend, at our request and subject to our supervision and control, you will make or cause to be made such investigation and defense as are reasonably necessary. You will make, to the extent possible, such settlements as we deem prudent. We will pay any expense incurred with our written consent for the Insured's defense.

- (3) We may settle any claim or suit (including any claim or suit for damages wholly or partly within your retained limit) as we see fit. You will promptly reimburse us if we pay an amount that is within your retained limit.
- (4) We have no obligation to defend any existing or future claim or suit once the applicable Limit of Insurance has been exhausted by the payment of judgments or settlements.
- (5) We will not pay defense costs nor shall we be obligated to provide a defense for claims or legal actions in any way requesting punitive or exemplary damages, except at our discretion.

b. Supplementary Payments

With respect to any claim or suit we defend, we will pay:

- (1) All expenses we incur.
- (2) The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.

- (3) All reasonable expenses incurred by the **Insured** at our request to assist us in the investigation or defense of the claim or **suit**, including actual loss of earnings up to \$200 a day because of time off from work.
- (4) All costs taxed against the **Insured** in the **suit**.
- (5) Pre-judgment interest awarded against the **Insured** on that part of the judgment we pay. If we make an offer to pay the applicable **Limit of Insurance**, we will not pay any pre-judgment interest based on that period of time after the offer.
- (6) All interest on any judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable **Limits of Insurance**.

These payments will not reduce the **Limits of Insurance**.

SECTION III – EXCLUSIONS

Insurance provided by this policy does not apply to:

1. Expected or Intended Injury

Bodily injury or property damage which are expected or intended from the standpoint of the **insured**.

However, this exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property, or corporal punishment to any of your students, pupils or **clients** administered by any **Insured** provided that you authorized it.

2. Contractual Liability

Liability of others assumed by any **insured** under any contract or agreement, other than an **insured contract**. This includes liability assumed by the **Insured** under any agreement guaranteeing the results of any counseling and liability arising from guaranteeing the results of treatment by the **Insured**.

3. Liquor Liability

Bodily injury that any **Insured** who is regularly engaged in the business activity of manufacturing, distributing, selling, serving or furnishing alcoholic beverages in order to generate income in excess of expenses, may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

4. Workers' Compensation and Similar Laws

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

5. Employment-Related Practices

Any **bodily injury or personal injury**:

- a. To a person arising out of any:
 - i. Refusal to employ that person;
 - ii. Termination of that person's employment; or
 - iii. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- b. To the spouse, child, parent, brother or sister of that person as a consequence of any damages to that person at whom any of the employment-related practices described above is directed.
- c. Arising from consequential **bodily injury or personal and advertising injury** of any physical or psychological origin resulting from subparagraphs a. or b. above.

This exclusion applies whether the **Insured** may be held liable as an employer or in any other capacity; and to any obligation to share damages with or to repay someone else who must pay damages because of the injury.

6. Pollution

- a. Any **bodily injury or property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - i. At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**. However, this subparagraph does not apply to:
 - a) **Bodily Injury** if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - b) **Bodily injury or property damage** for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional **insured** with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any **Insured**, other than that additional insured; or
 - c) **Bodily Injury or property damage** arising out of heat, smoke or fumes from a hostile fire;
 - ii. At or from any premises, site or location which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of **waste**;
 - iii. Which are or were at any time transported, handled, stored, treated, disposed of or processed as **waste** by or for any **insured** or any person or organization for whom you may be legally responsible;
 - iv. At or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured**'s behalf are performing operations if the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **insured**, contractor or subcontractor. However, this subparagraph does not apply to:
 - a) **Bodily injury or property damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of **mobile equipment** or its parts, if such fuels, lubricants

or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury or property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **insured**, contractor or subcontractor;

- b) **Bodily injury or property damage** sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - c) **Bodily injury or property damage** arising out of heat, smoke or fumes from a hostile fire.
 - v. At or from any premises, site or location on which any **insured** or any contractors or subcontractors working directly or indirectly on any **insured's** behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.
- b. Any loss, cost or expense arising out of any:
- i. Request, demand, order or statutory or regulatory requirement that any **insured** or others test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - ii. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

However, this paragraph does not apply to liability for damages because of property damage that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or suit by or on behalf of a governmental authority.

7. Aircraft, Auto, or Watercraft

Any **bodily injury or property damage** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft owned or operated by or rented or loaned to any **insured**. Use includes operation and loading or unloading.

This exclusion applies even if the claims against any **insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**.

This exclusion does not apply to **bodily injury or property damage** arising out of:

- a. Any watercraft while ashore on premises you own or rent;
- b. A watercraft that is less than 26 feet long and is not being used to carry persons or property for a charge;
- c. Parking an **auto** on, or on the ways next to, premises you own or rent, provided the **auto** is not owned by or rented or loaned to you.

8. Mobile Equipment

Bodily injury or property damage arising out of:

- a. The transportation of mobile equipment by an **auto** owned or operated by or rented or loaned to any **insured**; or

- b. The use of mobile equipment in, or while in practice for, or while being prepared for, any prearranged racing, speed or demolition contest or stuntng activity.

9. War

Bodily injury or property damage, however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

10. Professional Services

Any damages arising out of the rendering or failure to render professional services, including, but not limited to healthcare and veterinary services, social work, foster care services, psychological counseling, psychological therapy, psychological evaluation for program placement, legal, accounting, financial, appraisal, architectural, cosmetic, physical therapy, massage, optical, optometric, ear piercing and engineering services.

11. Damage to Property

Property damage to:

- a. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises you sell, give away or abandon, if the property damage arises out of any part of those premises;
- c. Property loaned to you;
- d. Personal property in your care, custody or control;
- e. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the property damage arises out of those operations; or
- f. That particular part of any property that must be restored, repaired or replaced because your work was incorrectly performed on it.

12. Damage to your Product or Work

Property damage to your product or your work.

13. Damage to Impaired Property or Property Not Physically Injured

Property damage to impaired property or property that has not been physically injured, arising out of:

- a. A defect, deficiency, inadequacy or dangerous condition in your product or your work; or

- b. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

14. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. Your product;
- b. Your work; or
- c. Impaired property;

If such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

15. Sexual Abuse

Any **bodily injury** arising out of any actual, threatened, intentional or unintentional **sexual abuse** of any person.

16. Nuclear Energy Liability

- a. **Bodily injury or property damage** with respect to which an **Insured** under this insurance is also an **Insured** under a Nuclear Energy Liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an **insured** under any such insurance policy but for its termination upon exhaustion of its limit of liability; or
- b. **Damages** resulting from the **hazardous properties of nuclear material** and with respect to which:
 - I. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - II. The **Insured** is, or had this insurance not been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.
- c. **Damages** resulting from the **hazardous properties of nuclear material**, if:
 - I. The **nuclear material**:
 - a) Is at any **nuclear facility** owned by, or operated by or on behalf of, an **insured**; or
 - b) Has been discharged or dispersed therefrom;
 - II. The **nuclear material** is contained in **spent fuel or waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **Insured**; or
 - III. The **damages** arise out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (iii) applies only to **property damage** to such **nuclear facility** and any property thereat.

17. Employee Benefit Administration & Fiduciary Liability

Damages arising out of employee benefit administration and the legal liability of employee benefit plan managers or fiduciaries under the Employee Retirement Income Security Act (ERISA), including its amendments, and similar state and local statutes.

18. Hazardous Activities

Any damages arising directly or indirectly out of the activities, events or causes of injury or damage listed below when authorized and conducted by the Named Insured or authorized by the Named Insured and conducted on its behalf by employees, volunteers, or independent contractors of the Named Insured.

Excluded activities, events or causes of injury are:

- a. Tackle football activities;
- b. The use of any size trampoline, including half-tramp equipment;
- c. Detonation or ignition of fireworks displays except by licensed independent contractors that provide to the Named Insured evidence of applicable liability insurance coverage demonstrating a limit of not less than \$1,000,000 per occurrence;

This is an absolute exclusion. We have no obligation to defend, pay on behalf of, indemnify or incur any cost or expense for any insured or any other person or organization seeking coverage under this insurance for any activities, events, or causes of injury described above.

19. Accreditation and Professional Boards

Damages arising out of participation in a formal accreditation or similar professional board or committee.

20. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

21. Lead Poisoning and Contamination

Any bodily injury arising out of the ingestion, inhalation or absorption of lead in any form, including any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead and any loss cost or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of any examination, testing, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the presence or the effects of lead.

22. Asbestos

Bodily injury, property damage, or personal and advertising injury arising out of, resulting from, caused by, or contributed to by asbestos, exposure to asbestos or the use of asbestos including:

- a. Any damages or any loss, cost or expense arising out of any 1) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or 2) request, demand, order or statutory or regulatory requirement that any insured or any other person or entity should be, or should be responsible for:
 - i. Assessing the presence, absence or amount or effects of asbestos;
 - ii. Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating asbestos; or
 - iii. Responding to asbestos in any way other than as described in i. and ii. above;
- b. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
- c. Any obligation to share damages with or repay someone else in connection with any of the subsections above.

SECTION IV – WHO IS INSURED

The term **Insured** means any person covered under the terms of this policy. Each of the following is an **Insured** under this policy to the extent set forth below:

- a. You, the **Named Insured** shown in the Declarations.
- b. Your executive officers and directors, but only while acting within the scope of their duties as your officers and directors for which coverage is otherwise provided.
- c. Any organizations you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a **Named Insured** provided:
 - (1) This policy is endorsed to add such organization within ninety (90) days of its formation or acquisition by you; and
 - (2) Such organization does not have similar coverage available to it.
 - (3) Coverage does not apply to:
 - (a) Bodily injury or property damage that occurred before you acquired or formed the organization; and
 - (b) Personal injury or advertising injury arising out of an offense committed before you acquired or formed the organization.
- d. Each of the following is also an **Insured**:
 - (1) Your employees, other than your executive officers, but only for acts within the scope of their employment by you. However, none of these employees is an **Insured** for:
 - (a) Bodily injury or personal injury to you; or
 - (b) Bodily injury or personal injury to a fellow employee while in the course of employment, or the spouse, child, parent, brother or sister of that employee as a consequence of such bodily injury, or for any obligation to share damages with or repay someone else who must pay damages because of the injury.

- (c) Property damage to property owned or occupied by or rented or loaned to that employee or any of your other employees.
 - (2) Any person (other than your employee) or any organization while acting as your real estate manager.
 - (3) Except with respect to newly acquired or formed organizations any person or organization for whom you have agreed in writing prior to injury to provide insurance but only with respect to operations performed by you or on your behalf, or premises owned or used by you. This policy shall not afford such person or organization **Limits of Insurance** in excess of:
 - (a) The minimum **Limits of Insurance** which you agreed to provide; or
 - (b) The **Limits of Insurance** of this policy, whichever is less.
 - (4) Any person or organization qualifying as an **Insured** in any **underlying insurance** subject to the following limitations:
 - (a) The person or organization is insured only for damages:
 - (i) Which are covered by this policy; and
 - (ii) Which are covered by the **underlying insurance** or which would be covered but for the exhaustion of its limits; and
 - (b) The **Limits of Insurance** afforded to such a person or organization will be:
 - (i) The minimum **Limits of Insurance** which you agreed to provide; or
 - (ii) The **Limits of Insurance** of this policy, whichever is less.
- e. No person or organization is an **Insured** with respect to the conduct of any current or past partnership or joint venture that is not shown as a **Named Insured** in the **Declarations**.

SECTION V – LIMITS OF INSURANCE AND RETAINED LIMIT

The **Limits of Insurance** shown in the **Declarations** and the rules below fix the most we will pay, regardless of the number of **Insureds**, persons or organizations who sustain injury, or **Claims made or suits** brought on account of an **injury**.

a. **Limits of Insurance**

- (1) Subject to (2), (3) and (4) below, the **Each Occurrence Limit** is the most we will pay because of bodily injury, property damage, personal injury and advertising injury arising out of any one occurrence.
- (2) The **General Aggregate Limit** is the most we will pay for the sum of all damages for bodily injury, property damage, personal injury and advertising injury sustained by all persons, groups of persons or organizations arising from all occurrences during the policy period.
- (3) Any damages arising from an occurrence or series of related occurrences shall be considered incurred because of a single occurrence.
- (4) Any damages incurred because of an occurrence or series of related occurrences over more than one policy year shall be considered incurred because of a single occurrence which will be subject to the **Limits of Insurance** in effect at the time of the first occurrence.

b. Retained Limit

In any instance other than when an applicable aggregate limit of insurance in the **underlying Insurance** has been used by the payment of judgments, settlements, costs or expenses, the insurance afforded by this policy will apply only to the amount of **damages** in excess of the applicable **retained limit**.

The **retained limit** will apply separately to each **occurrence** to which this insurance applies.

We have the right but not the duty to pay any part or all of the **retained limit** in settlement of any claim or suit or in satisfaction of any judgment. Upon notice of such payment, you will promptly reimburse us.

c. Drop Down Provision

When an applicable aggregate limit of insurance in the **underlying Insurance** has been used by the payment of judgments, settlements, costs or expenses, the insurance afforded by this policy will drop down and apply in excess of the exhausted aggregate limit of insurance of the **underlying insurance**. Any indemnity payment we make when this policy drops down to apply in excess of an exhausted aggregate limit of insurance is included within and not in addition to the **Limits of Insurance** of this policy.

SECTION VI – DEFINITIONS

a. Advertising Injury means injury arising out of one or more of the following offenses:

- (1) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- (2) Oral or written publication of material that violates a person's right of privacy;
- (3) Misappropriation of advertising ideas or style of doing business; or
- (4) Infringement of copyright, title or slogan.

b. Auto means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but does not include **mobile equipment**.

c. Auto hazard means **bodily injury** and **property damage** arising out of the ownership, maintenance or use of any **auto**, but only for **damages** to which the **underlying Insurance** would apply but for the exhaustion of its limits.

d. Bodily injury means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time. **Bodily Injury** also includes disability, mental anguish, mental injury, shock or fright resulting in or from otherwise covered bodily injury.

e. Coverage territory means anywhere in the world.

f. Damages means any monetary compensatory amount which an **Insured** is legally obligated to pay, including judgments, awards and settlements entered into with our prior written consent. **Damages** shall not include, by way of description and not limitation, any form or equitable relief, costs associated with complying with injunctions or temporary restraining orders, any fines or penalties or punitive damages.

g. Employee Benefit Administration means:

- (1) Giving counsel to **employees**, including their dependents and beneficiaries, with respect to the **employee benefit plans**;

- (2) Interpreting the employee benefit plans;
 - (3) Handling records in connection with the employee benefit plans; or
 - (4) Effecting enrollment, termination or cancellation of employees under the employee benefit plans;
- h. Employee benefit plans means group life insurance, group accident or health insurance, pension plans, stock subscription plans, workers' compensation, unemployment insurance, social security, disability benefits and any other similar programs in which your employees are the participants.
- i. Foster care services means the provision of personal care and training of children by adults other than the biological family of the children at the order and direction of the appropriate governmental and judicial authorities. Such services include the activities of the Insured in the investigation, evaluation, counseling, treatment, training, material aid, supervision and monitoring of individuals or families with respect to the placement of such children.
- j. Impaired property means tangible property, other than your product or your work, that cannot be used or is less useful because:
- (1) It incorporates your product or your work that is known or thought to be defective, deficient, inadequate or dangerous; or
 - (2) You have failed to fulfill the terms of a contract or agreement;
- If such property can be restored to use by:
- (1) The repair, replacement, adjustment or removal of your product or your work; or
 - (2) Your fulfilling the terms of the contract or agreement;
- k. Injury means bodily injury, property damage, advertising injury and personal injury.
- l. Insured contract means:
- (1) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an insured contract;
 - (2) A sidetrack agreement;
 - (3) Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - (4) An elevator maintenance agreement;
 - (5) A contract or agreement pertaining to your organization under which you assume the tort liability of another party to pay for bodily injury or property damage, sexual abuse, social work injury or damages arising out of a medical incident to a third person or organization, except as specifically excluded in paragraph (6) below. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- (6) Insured contract does not include that part of any contract or agreement:
- (a) That defends or indemnifies any person or organization for damages arising out of bodily injury, property damage, sexual abuse, social work injury or a medical incident which occurred prior to the execution of the contract or agreement.

(b) That defends or indemnifies any person, organization or entity for bodily injury or property damage arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

(c) That defends or indemnifies an architect, engineer or surveyor for loss arising from:

(i) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, field orders, change orders, or drawings or specifications; or

(ii) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.

(7) That defends or indemnifies for loss arising from any person, organization or entity for any construction, remodeling or repair services.

(8) That defends or indemnifies any person, organization or entity for bodily injury or property damage arising out of the ownership, maintenance, use or entrustment of any aircraft, auto or watercraft.

m. **Loading and unloading** means the handling of property:

(1) After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or auto;

(2) While it is in or on an aircraft, watercraft or auto; or

(3) While it is being moved from an aircraft, watercraft or auto to the place where it is finally delivered;

but **loading and unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or auto.

n. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:

(1) Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

(2) Vehicles maintained for use solely on or next to premises you own or rent;

(3) Vehicles that travel on crawler treads;

(4) Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(a) Power cranes, shovels, loaders, diggers or drills; or

(b) Road construction or resurfacing equipment such as graders, scrapers or rollers;

(5) Vehicles not described in (1), (2), (3) or (4) above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(a) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well service equipment; or

(b) Cherry pickers and similar devices used to raise or lower workers;

(6) Vehicles not described in (1), (2), (3) or (4) above maintained primarily for purposes other than the transportation or persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

(a) Equipment designed primarily for:

- (i) Snow removal;
- (ii) Road maintenance, but not construction or resurfacing;
- (iii) Street cleaning

(b) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(c) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

o. **Occurrence** means:

- (1) With respect to **bodily injury** and **property damage**, an accident, including accidental continuous or repeated exposure to substantially the same general harmful conditions; or
- (2) With respect to **personal injury**, an act or series of acts of the same or similar nature. All **damages** arising out of such or series of acts, regardless of the frequency thereof or the number of claimants, shall be deemed to arise out of one **occurrence**.
- (3) With respect to **advertising injury**, an act or series of acts in which the same or similar advertising material is used, regardless of the number of kind of media used. All **damages** involving the same injurious material or act regardless of the frequency or repetition thereof, the number or kind of media used or the number of claimants, shall be deemed to arise out of one **occurrence**.

p. **Offense** means any of the offense listed in the definition of **personal injury** or **advertising Injury**.

q. **Personal Injury** means injury, other than **bodily Injury**, arising out of one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction, wrongful entry, or invasion of the right or private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- (4) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- (5) Oral or written publication of material that violates a person's right of privacy.

r. **Property damage** means:

- (1) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- (2) Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the **occurrence** that caused it.

- s. **Sexual abuse** means the infliction of harm of a sexual nature upon any person by another person or persons, including your **employees**, agents, representatives, clients, volunteers, or others, regardless of whether such harm is physical, emotional or psychological or is the result of physical, visual, or audible conduct.
- t. **Sexual abuse occurrence** means the exposure of any one person to **sexual abuse** by one person or two or more persons acting together. All such exposure, including multiple interactions, occurring over any period of time shall be considered to have occurred at the time of the first exposure and during the Policy Year of the first such exposure.
- u. **Social work** means activities of the **Named Insured** involving child welfare, community physical and mental health, adoption services, personal counseling services, and recreational activities.
- v. **Suit** means a civil proceeding in which **damages** because of **bodily injury**, **property damage**, **personal injury** or **advertising injury** to which this insurance applies are alleged. **Suit** includes:
 - (1) An arbitration proceeding alleging such **damages** to which you must submit or submit with our consent.
 - (2) Any other alternative dispute resolution proceeding in which such **damages** are claimed and to which you submit with our consent.

w. **Underlying insurance** means:

- (1) The policies listed in **Item 5** of the **Declarations**, including any renewal or replacement of such policies; and
- (2) Any other insurance available to the **Insured** except insurance purchased specifically to be either quota share with or excess of this policy.

As respects newly acquired or formed organizations the limits of **underlying insurance** will be the greater of the limits shown in **Item 5** of the **Declarations** for the acquiring organization or the limits available to the newly acquired or formed organization.

x. **Underlying insurer** means the provider of any underlying insurance.

y. **Your product** means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Container (other than vehicle), materials, parts or equipment furnished in connection with such goods or products.

Your product includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability or performance of **your product**; and
- (2) The providing of or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

z. Your work means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability or performance or use of your work; and
- (2) The providing of or failure to provide warnings or instructions.

SECTION VII – CONDITIONS

a. Premium

The premium stated in Item 3 of the Declarations is due and payable at the effective date of this policy or as per a premium payment schedule agreed to with you. If that premium is shown as an estimated premium, it is subject to adjustment according to the terms of premium schedule or other endorsement attached to this policy.

If we cancel this policy, any refund due will be computed on a pro rata basis and promptly returned to you. However, if you cancel this policy, only 90% of the pro rata refund will be returned and we will retain the balance as though it were earned premium.

b. Sole Agent

The Named Insured first named in Item 1 of the Declarations is authorized to act on behalf of all Insureds with respect to giving notice of cancellation, receiving refunds, and agreeing to any changes in this policy.

c. U.S. Dollars

All dollar amounts referenced in the Declarations and in the policy are U.S. dollars.

d. Cross Liability

Except with respect to the Limits of Insurance, the insurance afforded by this policy applies separately to each Insured against whom claim is made or suit is brought.

e. Representations

By accepting this policy you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and
- (3) We have issued this policy in reliance upon your representations.

f. Other Insurance

If other valid and collectible insurance is available to the **Insured** for loss covered hereunder, this policy will be excess of such other insurance. This condition does not apply to insurance purchased specifically to be either quota share with this policy or excess of this policy.

g. Assignment

We will not be bound by any assignment of interest by any **Insured** unless our consent to such assignment is endorsed on this policy.

h. Changes

The terms of this policy may not be waived or changed except by endorsement issued by us to form a part of this policy.

i. Changes In Underlying Insurance

You must give us written notice as soon as practicable if the coverage or limits of insurance afforded in the **underlying insurance** are changed or any coverage in the **underlying insurance** is terminated.

If you fail to comply with the above, this insurance is not invalidated. However, in the event of a loss, we will pay only the amount that would have been paid had the **underlying insurance** been maintained.

j. Exhaustion of Aggregate Limits In Underlying Insurance

You must immediately give us written notice when an aggregate limit in any **underlying insurance** has been used up by the payment of judgments, settlements, costs or expenses.

If you fail to comply with the above, this insurance is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had you so complied.

k. Maintenance of Underlying Insurance

If you fail to maintain the **underlying insurance**, we will not be liable under this policy to any greater extent than we would have been liable had you complied with the obligation to maintain underlying insurance as stated in Item 5 of the Declarations.

l. Cancellation and Nonrenewal

- (1) The **First Named Insured** may cancel this policy by mailing to us advance written notice of cancellation.
- (2) We may cancel this policy by mailing to you, and the agent or broker, at the last addresses known to us written notice stating the reason for cancellation.
- (3) If we cancel for nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
- (4) If we cancel for a reason other than nonpayment of premium, we will mail the notice at least:
 - (a) 30 days prior to the effective date of cancellation if the policy has been in effect for 60 days or less.
 - (b) 60 days prior to the effective date of cancellation if the policy has been in effect for more than 60 days.

If this policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) The policy was obtained through a material misrepresentation;
- (c) Any Insured has violated any of the terms and conditions of the policy;
- (d) The risk originally accepted has measurably increased;
- (e) Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us all or a substantial part of the underlying risk insured; or
- (f) A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

The effective date and hour of cancellation stated in the notice of cancellation shall become the end of the policy period. Proof of mailing will be sufficient proof of notice. Payment of tender of unearned premium is not a condition of cancellation.

(5) Nonrenewal

If we decide not to renew this policy, we will mail written notice stating the reason for nonrenewal no less than 60 days before the expiration date to:

- (a) You; and
- (b) The broker, if known to us, or the agent of record at the last addresses known to us. Proof of mailing will be sufficient proof of notice.

Even if we do not comply with these terms, this policy will terminate:

- (a) On the expiration date if:
 - (i) You fail to perform any of your obligations in connection with the payment of the premium for the policy, or any installment payment whether payable directly to us or our agent or indirectly under any premium finance plan or extension of credit; or
 - (ii) We have indicated our willingness to renew this policy to you or your representative; or
 - (iii) You have notified us or our agent that you do not want to renew this policy.
- (b) On the effective date of any other insurance replacing this policy.

m. Inspection and Surveys

We have the right but are not obligated to:

- (1) Make inspections and surveys at any time;
- (2) Give you reports on the conditions we find; and
- (3) Recommend changes.

Any inspections, surveys, reports or recommendations relate only to Insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

n. **Bankruptcy**

In the event of bankruptcy or insolvency of any underlying Insurer, this policy will not apply as a replacement of such bankruptcy or insolvent underlying insurer's policy and we will not be liable under this policy to any greater extent than we would have been liable had the underlying insurer not become bankrupt or insolvent.

Bankruptcy of the Insured or the Insured's estate will not relieve us of any of our obligation under this insurance.

o. **Duties In the Event of an Occurrence or Offense, Claim or Suit Covered by This Policy**

- (1) You must see to it that we are given prompt written notice of any occurrence or offense which may result in damages payable by this policy. Notice should include:
 - (a) How, when and where the occurrence or offense took place;
 - (b) The names and addresses of any injured persons and witnesses; and
 - (c) The nature and location of any injury or damages arising out of an occurrence or offense.
- (2) If any claim is made or suit is brought against any Insured which may result in a claim against this insurance you 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; and
 - (c) Cooperate with us in the investigation, settlement or defense of the claim or suit.
- (3) With respect to any occurrence, offense, claim or suit that may result in a claim under this insurance you and any other Insured must:
 - (a) Cooperate with the underlying insurers;
 - (b) Comply with the terms of the underlying insurance;
 - (c) Pursue all rights of contribution or indemnity against any person or organization who may be liable to the Insured because of injury with respect to which insurance is provided under this or any policy of underlying insurance;
 - (d) Not admit liability or jeopardize our rights after an occurrence or offense; and
 - (e) Not except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

p. Transfer of Rights of Recovery Against Others to Us

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

Recoveries will be applied in the following order:

- (1) First, to reimburse any interests (including the **Insured**) that may have paid any amounts in excess of our liability under the policy;
- (2) Then, to reimburse us for all amounts paid under the policy; and
- (3) Finally, to reimburse all other interests (including the **Insured**) with respect to the residue, if any.

When we have elected to participate in the exercise of the **Insured's** right of recovery, reasonable expenses resulting therefrom will be apportioned all interests in the ratio of their respective recoveries.

If there should be no recovery as a result of proceedings instituted solely at our request, we will bear all expenses of such proceedings.

q. Legal Action Against Us

No person or organization has a right under this policy:

- (1) To join us as a party or otherwise bring us into a suit asking for damages from an **Insured**;
- (2) To sue us unless all of this policy's terms have been fully complied with.

In the event that a person or organization sues us to recover on an agreed settlement or on a final judgment against an **Insured** obtained after an actual trial, we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable **Limit of Insurance**. An agreed settlement means a settlement and release of liability signed by us, the **Insured** and the claimant or the claimant's legal representative.

r. Appeals

If the **Insured** or any other insurer elects not to appeal a judgment which exceeds the **retained limit**, we may do so. If we appeal the judgment we will pay the cost and interest incidental to the appeal. Any amounts recovered will be applied as follows:

- (1) First, to our costs and expenses in pursuing the appeal;
- (2) Second, to reimburse any interests (including the **Insured**) that may have paid any amounts in excess of our liability under the policy;
- (3) Then, to reimburse us for all amounts paid under the policy; and
- (4) Finally, to reimburse all other interests (including the **Insured**) with respect to the residue if any.

s. Exhaustion of Limits of Insurance

As soon as the **Limit of Insurance** stated on the Declarations as the **General Aggregate Limit** is exhausted by the payment of judgments or settlements, we will have no obligation with respect to any existing or future claim or suit alleging injury included under the **General Aggregate Limit**.

- (1) We will notify you that insurance is no longer afforded for such injury and will tender to the Insured, or the Insured's designee, such authority as we may have to supervise and control any claim or suit then outstanding.
- (2) We will be responsible only for supplementary payments which are due and payable as of the date of tendering described in paragraph (1) above.

t. Premium Audit

- (1) We will compute all premiums for this policy in accordance with our rules and rates.
- (2) Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period. Audit premiums are due and payable on notice to you. 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 you, but not if such audit premium is less than the minimum premium shown in the Declarations.

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Policy No.: UXL3707348-12	Endorsement No.: 1
Insured: Asociacion De Puertorriqueños	Effective Date: 12/31/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Umbrella Liability Policy

Named Insured

Asociacion De Puertorriqueños En Marcha, Inc.
Pradera Corp.
APM, Inc.
APM Properties, Inc.

This endorsement is effective at the inception of this policy unless otherwise noted above.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.