

PREMIUM IS > \$5000

INSURED

This section is for policy:	60301-22-46
Assembled-on Date:	06/04/19
Assembled-on Time:	01:35:14
Full Policy Number:	6030122460019
Transaction Number:	001
Operator id:	R9650

**TRANSACTION:
RENEWAL**



PO BOX 2527 ,
Grand Rapids, MI . 49501-2527

PRODUCER# : 05 96 80 2K7
NAOMI HAYASHI
948 INDUSTRIAL AVE
PALO ALTO CA 94303

AGTADDXP

PRODUCER#: 05 96 80 2K7
NAOMI HAYASHI
948 INDUSTRIAL AVE
PALO ALTO CA 94303



PO BOX 2527
Grand Rapids, MI, 49501-2527



NAOMI HAYASHI
948 INDUSTRIAL AVE
PALO ALTO CA 94303
PRODUCER#: 05 96 80 2K7

SUNSET OAKS HOA
675 PICASSO TER
SUNNYVALE CA 94087-2859

SUNSET OAKS HOA
675 PICASSO TER
SUNNYVALE CA 94087-2859



NAOMI HAYASHI
948 INDUSTRIAL AVE
PALO ALTO CA 94303



California Offer of Terrorism Coverage

Named Insured: **SUNSET OAKS HOA**
Address: **675 PICASSO TER**
SUNNYVALE CA 94087-2859

Agent Number: **96-80-2K7**
Policy Number: **60301-22-46**

Read Carefully Before Signing

Dear Valued Customer,

Our records indicate that you have previously declined coverage for "Certified Acts of Terrorism." Effective January 1, 2015 the federal Terrorism Risk Insurance Act defines a "certified act of terrorism" as an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the Act to be an act of terrorism. 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 its government by coercion.

You should know that coverage for losses caused by "certified acts of terrorism" is partially reimbursed by the United States government under a formula established by federal law. Under this formula, the U.S. government pays a percentage of covered terrorism losses exceeding the statutorily established deductible paid by the insurer providing the coverage. The Act contains a \$100 billion cap that limits government reimbursement and insurer liability for losses resulting from Certified Acts of Terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, terrorism coverage may be reduced. The premium charged for this coverage does not include any charges for the portion of loss covered by the federal government under the Act.

The premium cost for such coverage for "certified acts of terrorism" is calculated as a percentage of our final premium for certain coverages, per the following schedule:

Coverage	Los Angeles, Orange and San Francisco Counties	All Other Counties
Property	1.5%	1.0%
General Liability	1.5%	1.0%
Umbrella	1.0%	1.0%

In no event will the premium be greater than 1.5% of your property/liability premium.

You have the right to include this coverage for "certified acts of terrorism." If you choose to do so, you must sign this form and return it in the enclosed envelope within 30 days of the effective date of this policy.

No Reply Is Necessary To Decline This Offer.

I ACCEPT "Certified Acts of Terrorism" coverage.

Signature _____ Date _____



STATEMENT

FARMERS INSURANCE EXCHANGE

° SUNSET OAKS HOA

675 PICASSO TER

SUNNYVALE CA 94087-2859

JUNE 04, 2019

Date

96-80-2K7

Agent's Number

60301-22-46

Policy Number

Loan Number

Renewal Statement - The Company will renew your policy for an additional 12 months term only if payment of the premium indicated is made on or before the renewal date of this notice.

This Statement Reflects:

Effective Date: 08/13/19

New Business Reinstatement Change Of Coverage Added Coverage

\$ Previous Balance Owing

\$ Premium

\$ Membership, Policy, Reinstatement, Reissue or Service Fees

\$ Pro Rata Premium Due

\$ **72,220.00** Premium For Renewing Entire Present Coverage From 08/13/19 To 08/13/20

\$

\$

\$

\$

\$ 72,220.00 Total Charges

\$

\$ Payments

\$ Other Credits _____

\$ _____ Total Credits

\$ - NONE - **BALANCE DUE UPON RECEIPT**

\$ _____ Optional Amount

\$ _____ Refund

WE WANT TO BE YOUR FIRST CHOICE FOR BUSINESS AND PERSONAL LINES INSURANCE. IF YOU PLACE A PERSONAL LINES POLICY WITH FARMERS YOU MAY BE ELIGIBLE TO RECEIVE A DISCOUNT, CONTACT YOUR AGENT TODAY.

**IMPORTANT- D-O N-O-T P-A-Y T-H-I-S N-O-T-I-C-E
PREMIUM WILL BE BILLED. ACCT # F003051205-001-00001.**

State Required Notification:



California Offer of Terrorism Coverage

Named Insured: **SUNSET OAKS HOA**
Address: **675 PICASSO TER**
SUNNYVALE CA 94087-2859

Agent Number: **96-80-2K7**
Policy Number: **60301-22-46**

Read Carefully Before Signing

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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 its government by coercion.

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The premium cost for such coverage for "certified acts of terrorism" is calculated as a percentage of our final premium for certain coverages, per the following schedule:

Coverage	Los Angeles, Orange and San Francisco Counties	All Other Counties
Property	1.5%	1.0%
General Liability	1.5%	1.0%
Umbrella	1.0%	1.0%

In no event will the premium be greater than 1.5% of your property/liability premium.

You have the right to include this coverage for "certified acts of terrorism." If you choose to do so, you must sign this form and return it in the enclosed envelope within 30 days of the effective date of this policy.

No Reply Is Necessary To Decline This Offer.

I ACCEPT "Certified Acts of Terrorism" coverage.

Signature _____ Date _____



Important Notice

Subscription Agreement Notice

(Please keep for your records)

By payment of the policy premium, you acknowledge that you have received and read the Farmers Insurance Exchange Subscription Agreement (the terms of which are provided below) and that you agree to be bound to all of the terms and conditions of the Subscription Agreement.

Under the Subscription Agreement, you appoint Farmers Underwriters Association (the "Association") to act as the attorney-in-fact. The Association has acted in this capacity since 1928. The Subscription Agreement provides for payment of compensation to the Association for its becoming and acting as attorney-in-fact. This compensation consists of a membership fee and a percentage of premiums on all policies of insurance or reinsurance issued or effected by the Exchange. These fees are included in your policy payment and are not an additional fee.

We reserve the right to request that you provide us with a signed Subscription Agreement and if you fail to do so, your coverage may be terminated.

Subscription Agreement

For and in consideration of the benefits to be derived therefrom the subscriber covenants and agrees with Farmers Insurance Exchange and other subscribers thereto through their and each of their attorney-in-fact, the Farmers Underwriters Association, to exchange with all other subscribers' policies of insurance or reinsurance containing such terms and conditions therein as may be specified by said attorney-in-fact and approved by the Board of Governors or its Executive Committee for any loss insured against, and subscriber hereby designates, constitutes and appoints Farmers Underwriters Association to be attorney-in-fact for subscriber, granting to it power to substitute another in its place, and in subscriber's name, place and stead to do all things which the subscriber or subscribers might or could do severally or jointly with reference to all policies issued, including cancellation thereof, collection and receipt of all monies due the Exchange from whatever source and disbursement of all loss and expense payments, effect reinsurance and all other acts incidental to the management of the Exchange and the business of interinsurance; subscriber further agrees that there shall be paid to said Association, as compensation for its becoming and acting as attorney-in-fact, the membership fees and twenty per centum of the Premium Deposit for the insurance provided and twenty per centum of the premiums required for continuance thereof.

The remaining portion of the Premium Deposit and of additional term payments made by or on behalf of the subscriber shall be applied to the payment of losses and expenses and to the establishment of reserves and general surplus. Such reserves and surplus may be invested and reinvested by a Board of Governors duly elected by and from subscribers in accordance with provisions of policies issued, which Board or its Executive Committee or an agent or agency appointed by written authority of said Executive Committee shall have full powers to negotiate purchases, sales, trades, exchanges, and transfers of investments, properties, titles and securities, together with full powers to execute all necessary instruments. The expenses above referred to shall include all taxes, license fees, attorneys' fees and adjustment expenses and charges, expenses of members' and governors' meetings, agents' commissions, and such other specified fees, dues and expenses as may be authorized by the Board of Governors. All other expenses incurred in connection with the conduct of the Exchange and such of the above expenses as shall from time to time be agreed upon by and between the Association and the Board of Governors or its Executive Committee shall be borne by the Association.

The principal office of the Exchange and its attorney-in-fact shall be maintained in the City of Los Angeles, County of Los Angeles, State of California.

This agreement can be signed upon any number of counterparts with the same effect as if the signatures of all subscribers were upon one and the same instrument, and shall be binding upon the parties thereto, severally and ratably as provided in policies issued. Wherever the word "subscriber" is used the same shall mean members of the Exchange, the subscriber hereto, and all other subscribers to this or any other like agreement. Any policy issued hereon shall be non-assessable.



Important Information About Your Policy

We have updated options for your Farmers[®] policy to reflect a recent change to California's Davis-Stirling Common Interest Development Act. This Act requires that insurance policies for Common Interest Developments provide the following:

1. **Minimum Limits:** Employee Dishonesty Coverage (fidelity bond) in an amount equal to or greater than the combined amount of the reserves of the association and total assessments for three months (unless your governing documents require greater coverage amounts).
2. **Definition Of An Employee:** Employee Dishonesty Coverage includes coverage for dishonest acts committed by a property manager, property management company and the employees of that manager or company.
3. **New Coverage Requirement:** The associations insurance policy includes coverage for computer fraud and funds transfer fraud.

Here is what we are offering, or already making available, to you to help bring your policy into compliance with this law:

1. **Minimum Limits:** Limits up to \$2M are available. Your Farmers agent can confirm limits or make a change at your request.
2. **Definition Of An Employee:** You are already set with your current Farmers policy.
3. **New Coverage Requirement:** At no additional cost to you, this coverage will be applied to your policy, effective 1/1/2019.

Please contact your Farmers agent as soon as possible to discuss the Employee Dishonesty coverage limit options available to ensure that your renewal policy limit meets the new state requirements.



Notice to Policyholders New Marijuana Exclusion

As you review the enclosed renewal policy, you will notice that an endorsement entitled **Marijuana Exclusion** has been added to your policy contract. Marijuana has historically been excluded from coverage due to its classification as contraband. Due to changes in the legal status of marijuana and marijuana-related products at the state level, this new endorsement clarifies that your policy does not provide coverage for loss, damage or injury related to the ownership, sale or distribution of marijuana.

This notice is for informational purposes only; it is not a part of your insurance contract. It is not a substitute for reviewing your policy and the endorsements included with your policy. Please take a moment to carefully review your policy to better understand the terms and conditions of your coverage.

If you have any questions about this change to your insurance coverage, please contact your Farmers[®] agent.



Important Notice - Regarding Supplementary Payments Coverage

Dear Farmers Customer,

Thank you for choosing Farmers[®] for your insurance needs. We appreciate your business and want to keep you informed of an update relating to your policy.

Your commercial insurance policy now contains endorsement J7230-ED1 Supplementary Payments.

This endorsement provides updated policy language in line with current industry standards as provided by Insurance Office Service (ISO) forms. This change may result in a reduction of coverage on your policy with regard to coverage for opposing party's attorney fees.

This notice is not a substitute for reviewing your policy and the endorsements included with your policy. Please review your policy to better understand the terms and conditions of your coverage.

If you have questions, please contact your Farmers agent.



COMMON POLICY DECLARATIONS

Named Insured SUNSET OAKS HOA

Mailing Address 675 PICASSO TER
 SUNNYVALE, CA 94087-2859

F003051205-001-00001

Account No.

96-80-2K7

Agent No.

Prod. Count

60301-22-46

Policy Number

Form of Business Individual Joint Venture Limited Liability Co.
 Corporation Partnership Other Organization

Business Description:
 Condominium

Policy Period From 08-13-2019 (not prior to time applied for)
 To 08-13-2020 12:01 A.M. Standard time at your mailing address shown above.

If this policy replaces other coverage that ends at noon standard time of the same day this policy begins, this policy will not take effect until the other coverage ends. **This policy will continue for successive policy periods as follows:** If we elect to continue this insurance, we will renew this policy if you pay the required renewal premium for each successive policy period subject to our premiums, rules and forms then in effect.

The attorney-in-fact (AIF) or management fee for your renewed policy will never exceed 20% of the policy's premiums and will be paid out of the premiums. You may wish to consider this information in deciding whether to accept or decline this offer to renew your policy.

This policy consists of the following coverage parts listed below and for which a premium is indicated. This premium may be subject to change.

Coverage Parts	Premium After Discount And Modification
Condominiums Owners Policy	\$70,898.00
Directors And Officers Liability	\$1,322.00
Total (See Additional Fee Information Below)	\$72,220.00

Policy Number: 60301-22-46

Effective Date: 08-13-2019

Forms Applicable To 25-9230ED3

Reminder-Review Your Coverages

All Coverage Parts: E0002-ED1

Blank Manuscript Endorsement-Long

Your Agent

Naomi Hayashi
948 Industrial Ave
Palo Alto, CA 94303
(650) 321-7637

Countersigned (Date)

By Authorized Representative

Additional Fee Information

The following additional fees apply on an account, not a per-policy, basis.

- A **service fee** will be assessed on every installment invoice and will be included in the minimum amount due. However, if you choose to pay the entire account balance in full upon receipt of the first installment, the fee will be waived. In addition, for accounts fully enrolled in online billing and scheduled for recurring Electronic Funds Transfer (EFT) payments the fee will be waived.

State	Installment Fee
All states except Alaska, Florida, Maryland, New Jersey And West Virginia	\$6.00
Alaska and Maryland	Not applicable
Florida	\$3.00
New Jersey	\$7.00
West Virginia	\$5.00

- A **returned payment fee** applies per check, electronic transaction or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account. **NOTE: If the returned payment is in response to a Notice of Cancellation, coverage still cancels on the cancellation effective date set forth in the notice.**

State	NSF Fee
All States Except Alaska, Florida, Indiana, Maine, Nebraska, New Jersey, North Dakota, Oklahoma, Virginia And West Virginia	\$30.00
North Dakota And Oklahoma	\$25.00
Nebraska And Indiana	\$20.00
Florida And West Virginia	\$15.00
Maine	\$10.00
Alaska, New Jersey And Virginia	Not applicable

- A **late fee** will be assessed on each Notice of Cancellation that is issued and will be included in the minimum amount due.

State	Late Fee
All States Except Alaska, Florida, Maryland, Missouri, Nebraska, New Jersey, Rhode Island, Virginia, South Carolina And West Virginia	\$20.00
Nebraska, Rhode Island And South Carolina	\$10.00
Alaska, Florida, Maryland, Missouri, New Jersey, Virginia And West Virginia	Not applicable

The following applies on a per-policy basis.

- A **reinstatement fee** of \$25.00 will be assessed if the policy is reinstated over 30 days but under 6 months from the cancellation date. *This fee does not apply to Florida, Indiana & Maryland or to Workers Compensation policies.*

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.



POLICY DECLARATIONS - CONDO/TOWNHOME PREMIER POLICY

Named Insured SUNSET OAKS HOA

Mailing Address 675 PICASSO TER
SUNNYVALE, CA 94087-2859

Policy Number 60301-22-46

Auditable

Policy Period From 08-13-2019
To 08-13-2020 12:01 A.M. Standard time at your mailing address shown above.

In return for the payment of premium and subject to all the terms of this policy, we agree with you to provide insurance as stated in this policy. We provide insurance only for those Coverages described and for which a specific limit of insurance is shown.

The following premium credits and discounts applied to the premium associated with this coverage part:

Favorable Loss Experience Discount

There may be other credits and discounts you may be able to enjoy, please contact your agent for full details.

Your Agent

Naomi Hayashi
948 Industrial Ave
Palo Alto, CA 94303
(650) 321-7637

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS

The following coverages apply to the described locations and/or building. Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level.

Option: BV - Blanket Value (see Base Coverage & Extensions for the total limit)
Valuation: ACV - Actual Cash Value; AV - Agreed Value; RC - Replacement Cost;
 ERC - Extended RC; FRC- Functional RC; GRC - Guaranteed RC
Abbreviation: ALS = Actual Loss Sustained; BI = Business Income; EE = Extra Expense

Premises Number	Bldg. No.	Covered Premises Address	Mortgagee Name And Address
001	All	675 Picasso Ter See E0002 Sunnyvale, CA 94087-2859	

Coverage	Option	Valuation	Limit Of Insurance	Deductible/ Waiting Period
Building		ERC	\$79,714,400	\$10,000
Business Personal Property (BPP)		RC	\$79,900	\$10,000
Accounts Receivables - On-Premises			\$5,000	\$10,000
Building - Automatic Increase Amount			8%	
Building Ordinance Or Law - 1 (Undamaged Part)			Included	None
Building Ordinance Or Law - 2 (Demolition Cost)			\$310,000	None
Building Ordinance Or Law - 3 (Increased Cost)			\$309,900	None
Building Ordinance Or Law - Increased Period of Restoration			Included	None
Debris Removal			25% Of Loss + 10,000	
Electronic Data Processing Equipment			\$10,000	\$10,000
Equipment Breakdown			Included	\$10,000
Equipment Breakdown - Ammonia Contamination			\$25,000	
Equipment Breakdown - Drying Out Coverage			Included	
Equipment Breakdown - Expediting Expenses			Included	
Equipment Breakdown - Hazardous Substances			\$25,000	
Equipment Breakdown - Water Damage			\$25,000	
Exterior Building Glass			Included	\$10,000
Outdoor Property			\$50,000	\$10,000
Outdoor Property - Trees, Shrubs & Plants (Per Item)			\$25,000	\$10,000
Personal Effects			\$2,500	\$10,000
Specified Property			\$270,000	\$10,000
Valuable Paper And Records - On-Premises			\$5,000	\$10,000

PROPERTY, INLAND MARINE AND CRIME COVERAGE AND LIMITS OF INSURANCE

The following Coverages and Extensions apply to all covered locations (premises) and/or buildings. Please refer to the individual location (premises) section for coverages and limits specific to such location (premises).

Base Coverage And Extensions	Limit of Insurance	Deductible/ Waiting Period
Accounts Receivables - Off-Premises	\$2,500	\$10,000
Association Fees And Extra Expense	\$100,000	
Crime Conviction Reward	\$5,000	None
Drone Aircraft - Direct Damage (per occurrence)	\$10,000	\$10,000
Drone Aircraft - Direct Damage (per item)	\$2,500	\$10,000
Employee Dishonesty	\$10,000	\$500
Computer Fraud And Funds Transfer Fraud	\$10,000	\$500
Fire Department Service Charge	\$25,000	None
Fire Extinguisher Systems Recharge Expense	\$5,000	None
Forgery And Alteration	\$2,500	\$10,000
Limited Biohazardous Substance Coverage - Per Occurrence	\$10,000	\$10,000
Limited Biohazardous Substance Coverage - Aggregate	\$20,000	\$10,000
Limited Cov. - Fungi Wet Rot Dry Rot & Bacteria - Aggregate	\$15,000	\$10,000
Master Key	\$10,000	None
Master Key - Per Lock	\$100	None
Money And Securities - Inside Premises	\$10,000	\$500
Money And Securities - Outside Premises	\$10,000	\$500
Money Orders And Counterfeit Paper Currency	\$1,000	\$10,000
Newly Acquired Or Constructed Property	\$250,000	\$10,000
Outdoor Signs	\$50,000	\$500
Outdoor Signs - Per Sign	\$25,000	\$500
Personal Property At Newly Acquired Premises	\$100,000	\$10,000
Personal Property Off Premises	\$5,000	\$10,000
Premises Boundary	100 Feet	
Preservation Of Property	30 Days	
Unit Owners - Included With Building	Included	\$10,000
Valuable Paper And Records - Off-Premises	\$2,500	\$10,000
Water Damage Deductible		\$15,000

**LIABILITY AND MEDICAL EXPENSES
COVERAGE AND LIMITS OF INSURANCE**

Each paid claim for the following coverage reduces the amount of insurance we provide during the applicable policy period. Please refer to the policy.

Premium Basis: (A) Area; (C) Total Cost; (P) Payroll; (S) Sales/Receipts; (U) Each Unit
 (M) Public Area Square Feet
 (O) Other:

Covered Premises And Operations

Address	Classification /Exposure	Class Code	Prem. Basis	Annual Exposure	Rate	Advance Premium
675 Picasso Ter See E0002 Sunnyvale, CA 94087-2859	Condominiums / Townhomes Swimming Pool	8641 00097	Incl U	Included 1	Included Included	Included Included

LIABILITY AND MEDICAL EXPENSES COVERAGE AND LIMITS OF INSURANCE CONTINUED	
Coverage	Amount /Date
General Aggregate (Other Than Products & Completed Operations)	\$4,000,000
Products And Completed Operations Aggregate	\$2,000,000
Personal And Advertising Injury	Included
Each Occurrence	\$2,000,000
Tenants Liability (Each Occurrence)	\$100,000
Medical Expense (Each Person)	\$5,000
Pollution Exclusion - Hostile Fire Exception	Included
Directors & Officers Liability - Per Claim	\$1,000,000
Directors & Officers Liability - Aggregate	\$1,000,000
Directors & Officers Liability - Self Insured Retention	\$1,000
Directors & Officers Liability Retroactive Date	07/24/2007
Hired Auto Liability	\$2,000,000
Non-Owned Auto Liability	\$2,000,000

Policy Forms And Endorsements Attached At Inception

Number	Title
25-2110	Work Comp Exclusion
25-2984ED2	Calif Dept Of Ins
25-9200	Farmers Privacy Notice
56-5166ED5	Additional Conditions
E0104-ED1	Business Liab Cov-Tenants Liab
E0125-ED1	Lead Poisoning & Contamination Excl
E0139-ED1	Excl Of Cert/Other Acts Of Terr-Fire/Lia
E0147-ED1	War Liability Exclusion
E3015-ED2	Calculation Of Premium
E3024-ED3	Condominium Common Conditions
E3037-ED1	No Covg-Certain Computer Related Losses
E3314-ED3	Condominium Liability Covg Form
E3418-ED2	Condo Assoc Unit Covg End
E3422-ED3	Condominium Property Covg Form
E4009-ED4	Mold & Microorganism Exclusion
E6288-ED3	Excl-Building Conversions
E9122-ED6	D & O Liab Covg Form
J6316-ED2	Excl Of Loss Due To Virus
J6347-ED1	Excl-Violation Of Statutes
J6350-ED1	Employee Dishonesty-Property Mgr
J6353-ED1	Change To Limits Of Insurance
J6612-ED2	Equipment Breakdown Coverage End
J6739-ED1	Two Or More Coverage Forms
J6829-ED1	Ltd Covg For Fungi, Wet/Dry Rot
J6835-ED1	Water Damage Deductible
J6849-ED2	Deductible Provisions
J6857-ED1	Amendment Of D&o Liab Covg
J7110-ED1	Exclusion Confidential Info
J7114-ED1	Asbestos & Silica Exclusion End
J7122-ED1	Loss Pay Cond-Proft Ovrhd Inc Fees
J7131-ED1	Dishonesty Excl-Tenant Vandal Excp
J7133-ED1	Limited Biohazardous Substance Cov
J7136-ED1	Pollution Excl-Expanded Except
J7139-ED1	Bus Inc And Extr Exp-Prt Slwdwn Cov
J7144-ED1	Pers And Advert Injury Cov
J7158-ED1	Damage To Property Excl-Revised
J7180-ED1	Computer Fraud & Funds Transfer Fraud
J7183-ED1	Limit Of Coverage To Designated Premises
J7222-ED1	Marijuana Exclusion
J7228-ED1	Drone Aircraft Coverage
J7230-ED1	Supplementary Payments

Policy Number: 60301-22-46

Effective Date: 08-13-2019

Policy Forms And Endorsements Attached At Inception

Number	Title
S9939-ED2	Hired & Non-Owned Auto Liab
S9943-ED3	California Changes
S9948-ED2	Condominium Premier Package End

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J7222
1st Edition

MARIJUANA EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY
CONDOMINIUM POLICY

A. The applicable Property Coverage Form is amended as follows:

- 1.** The following is added to Paragraph **A.2. PROPERTY NOT COVERED:**
 - a.** "Marijuana".
- 2.** Coverage under this Policy does not apply to that part of Business Income or Association Fees loss, or Extra Expense incurred due to a suspension of your "operations" which involve the design, cultivation, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana".
- 3.** Paragraphs **A.1.** and **A.2.** above do not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:
 - a.** Ingestion;
 - b.** Inhalation;
 - c.** Absorption; or
 - d.** Consumption.

B. The following exclusion is added to the applicable Liability Coverage Form:

This insurance does not apply to:

- 1.** "Bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
 - a.** The design, cultivation, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana";
 - b.** The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "marijuana"; or
- 2.** "Property damage" to "marijuana".

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.

However, this exclusion does not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:

- a.** Ingestion;
- b.** Inhalation;
- c.** Absorption; or
- d.** Consumption.

C. For the purposes of this endorsement, the following definition is added:

"Marijuana":

1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC), Cannabidiol (CBD) or any other cannabinoid, regardless of whether any such cannabinoid is natural or synthetic.

2. Paragraph **C.1.** above includes, but is not limited to, any of the following containing such cannabinoid:
 - a. Any plant of the genus *Cannabis* L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
 - b. Any compound, byproduct, extract, derivative, mixture or combination, such as, but not limited to:
 - (1) Resin, oil or wax;
 - (2) Hash or hemp; or
 - (3) Infused liquid or edible marijuana;whether derived from any plant or part of any plant set forth in Paragraph **C.2.a.** above or not.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J7228
1st Edition

DRONE AIRCRAFT COVERAGE

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

A. The following item is added to Paragraph **5. Additional Coverages** under Section **A. Coverage** of the applicable Coverage Form:

Drones Direct Damage Coverage

- a.** We will pay for direct physical loss of or damage to drone aircraft that is used in your business caused by or resulting from a Covered Cause of Loss located anywhere in the coverage territory.
- b.** The reference to aircraft in Paragraph **a.** of the Apartment Owners Property Coverage Form and Paragraph **b.** of the Condominium Property Coverage Form under Section **A.2. Property Not Covered** does not apply to the extent that coverage is provided in this Additional Coverage.
- c.** To the extent that coverage is provided in this Additional Coverage, Section **B. Exclusions** is amended as follows:
 - (1)** Exclusion **B.2.a. Electrical Apparatus** does not apply.
 - (2)** Exclusion **B.2.j.(5)** does not apply to drone aircraft while aloft.
 - (3)** Exclusion **B.2.j.(6) Mechanical Breakdown** does not apply. However, we will not pay for mechanical breakdown caused by or resulting from:
 - (a)** Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (b)** Leakage at any valve, fitting, shaftseal, gland packing, joint or connection; or
 - (c)** Damage to drone aircraft undergoing a pressure or electrical test.
 - (4)** We will not pay for loss or damage caused by or resulting from installation, testing, repair or other similar services performed upon drone aircraft, including its electronic equipment or components.
 - (5)** We will not pay for loss or damage to drone aircraft when such loss or damage occurs while drone aircraft is being used to convey merchandise or goods for delivery to others.
 - (6)** We will not pay for loss or damage to drone aircraft when such loss or damage is caused by or results from drone aircraft being used in any professional or organized racing or demolition contest or stunting activity. We will also not pay for loss or damage that occurs while drone aircraft is being prepared for such contest or activity.
- d.** The most we will pay under this Additional Coverage in any one occurrence is \$10,000, unless a higher limit is shown on the Declarations, but not more than \$2,500 for any one item, unless a higher per item limit is shown on the Declarations. This Additional Coverage will not increase the Business Personal Property Limit of Insurance provided in this policy.

B. The following item is added to Paragraph **5. Additional Coverages** under Section **A. Coverage** of the Apartment Owners Property Coverage Form:

Drones Business Income and Extra Expense Coverage

- a.** We will pay for the actual loss of Business Income you sustain due to the suspension of your business activities requiring the use of drone aircraft. The suspension must be caused by direct physical damage to drone aircraft used in your business located anywhere in the coverage territory. The loss or damage must be caused by or result from a Covered Cause of Loss.
 - (1)** The coverage period for Business Income under this Additional Coverage:
 - (a)** Begins 72 hours after the time of direct physical loss or damage to drone aircraft used in your business caused by or resulting from any Covered Cause of Loss; and
 - (b)** Ends on the date when the drone aircraft should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(2) The definition of Business Income contained in Paragraph **A.5.e. Business Income** also applies to this Additional Coverage.

b. We will pay necessary Extra Expense you incur during the period of restoration that you would not have incurred if there had been no direct physical loss or damage to drone aircraft used in your business located anywhere in the coverage territory.

(1) The coverage period for Extra Expense under this Additional Coverage:

(a) Begins immediately after the time of direct physical loss or damage to drone aircraft used in your business caused by or resulting from any Covered Cause of Loss; and

(b) Ends on the date when the drone aircraft should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(2) The definition of Extra Expense contained in Paragraph **A.5.f. Extra Expense** also applies to this Additional Coverage.

c. The most we will pay under this Additional Coverage is \$10,000 unless a higher limit is shown on the Declarations.

C. The following item is added to Paragraph **5. Additional Coverages** under Section **A. Coverage** of the Condominium Property Coverage Form:

Drones Extra Expense Coverage

We will pay necessary Extra Expense you incur during the period of restoration that you would not have incurred if there had been no direct physical loss or damage to drone aircraft used in your business located anywhere in the coverage territory.

1. The coverage period for Extra Expense under this Additional Coverage:

a. Begins immediately after the time of direct physical loss or damage to drone aircraft used in your business caused by or resulting from any Covered Cause of Loss; and

b. Ends on the date when the drone aircraft should be repaired, rebuilt or replaced with reasonable speed and similar quality.

2. The definition of Extra Expense contained in Paragraph **A.5.e.(2)** Extra Expense also applies to this Additional Coverage.

3. The most we will pay under this Additional Coverage is \$10,000 unless a higher limit is shown on the Declarations.

D. Definition

For the purposes of this endorsement drone aircraft means unmanned aircraft and all associated support equipment, including its remote control station, communication and navigation equipment, necessary to operate the unmanned aircraft.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



COMPUTER FRAUD AND FUNDS TRANSFER FRAUD

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM

A. The following is added to Section A.5. ADDITIONAL COVERAGES:

Computer Fraud And Funds Transfer Fraud

(1) We will pay for:

- (a)** Loss of your money or securities following and directly related to the use of any computer to fraudulently cause a transfer of such money or securities from a bank or savings institution:
 - (i)** To a person (other than a messenger) outside those premises; or
 - (ii)** To a place outside those premises;
- (b)** Loss of and damage to other property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises:
 - (i)** To a person (other than a messenger) outside those premises; or
 - (ii)** To a place outside those premises; and
- (c)** Loss of money or securities resulting directly from a fraudulent instruction directing a financial institution to transfer, pay or deliver money or securities from your transfer account.

(2) Subparagraph **a.(4)** of Paragraph **A.4. LIMITATIONS** does not apply to this Additional Coverage.

(3) Paragraph **2.f. False Pretense** under Section **B. EXCLUSIONS** does not apply to this Additional Coverage.

(4) We will not pay for loss or damages caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

(5) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is the Limit of Insurance shown in the Declarations for Computer Fraud And Funds Transfer Fraud.

B. Subparagraph 4.b. Money And Securities under Section **G. OPTIONAL COVERAGES** is deleted and replaced with the following:

b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- (1)** Resulting from accounting or arithmetical errors or omissions;
- (2)** Due to the giving or surrendering of property in any exchange or purchase;
- (3)** Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device; or
- (4)** To "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:
 - (a)** To a person (other than a messenger) outside those premises; or
 - (b)** To a place outside those premises.

C. With respect to this Additional Coverage the following are added to Section H. PROPERTY DEFINITIONS:

1. "Fraudulent Instruction" means:

- a.** An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
- b.** A written instruction (other than those described in Paragraph **A.5.h. Forgery Or Alteration**) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

- c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction which purports to have been transmitted by your employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent. Your employee includes:
 - (1) Your directors and officers, whether compensated or not, while performing duties within the scope of his or her normal duties as an Association director, officer or manager for the Named Insured;
 - (2) Any person acting solely as an employee of a real estate property management firm while that person is performing real estate management duties for the Named Insured; and
 - (3) Any director or trustee of a real estate property management firm while performing acts within the scope and usual duties of its employees for the Named Insured.
- 2. **Other Property** means any of your tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
- 3. **Transfer Account** means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and/or "securities":
 - a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - b. By means of written instructions (other than those described in **A.5.h. Forgery Or Alteration**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER:



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LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

A. Premises: Premises listed in the Policy Declarations
B. Project Or Operation: Operations described in the Policy Declarations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Paragraph **A.1.b.(1)** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

- (1)** To "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:
 - (a)** The "bodily injury" or "property damage":
 - (i)** Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
 - (ii)** Arises out of the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule;
 - (b)** The "bodily injury" or "property damage" occurs during the policy period; and
 - (c)** Prior to the policy period, no insured listed under Paragraph **C.1. Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

B. Paragraph **A.1.b.(2)** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

- (2)** To "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:
 - (a)** The offense arises out of your business:
 - (i)** Performed on the premises shown in the Schedule; or
 - (ii)** In connection with the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule; and
 - (b)** The offense was committed during the policy period.

However, with respect to Paragraph **A.1.b.(2)(a)(i)**, if the "personal and advertising injury" is caused by:

- (a)** False arrest, detention or imprisonment; or

(b) 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

C. Paragraph **A.2.a. Medical Expenses** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

(1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(2) Arises out of the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule;

provided that:

(a) The accident takes place during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



Dear Valued Customer,

Have the growth of your business and rising labor costs reduced the accuracy of the payroll or revenue shown on your policy? Have increased costs and inflationary trends reduced the protection provided by your policy? Building and Business Personal Property insurance limits, once adequate, may no longer meet today's repair or replacement costs.

To help compensate for these inflationary trends, the limits of insurance for Building and/or Business Personal Property coverages have been increased by a modest percentage. To keep your policy current with rising labor costs and normal business growth, the payroll and/or revenue have also been increased by a modest percentage.

This renewal offer includes the adjusted limits of insurance, payroll, revenue, and premium for your policy. The adjustments are relatively small, and they're based on estimated increases in the past year's construction and repair costs, as well as other inflationary factors, such as rising labor costs and normal business growth.

These increases do not guarantee adequate coverage for any loss; they are based on estimates. It is possible, for example, that updates or improvements to your property or increased sales might cause your individual needs for coverage to be greater than the amount provided by these adjustments. If you have not reviewed your policy recently, the effects of inflationary changes over time create the likelihood that the increases we made are less than the increases you need for optimal coverage.

These changes are made to better serve your insurance needs, and we encourage you to contact your Farmers[®] agent, who will be pleased to help you with a comprehensive review of your policy.

Acceptance of these changes does not waive the provisions of the coinsurance clause or any other policy clause.

Thank you for choosing Farmers. We appreciate your business.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



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SUPPLEMENTARY PAYMENTS

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

Paragraph **d.** or **f. Coverage Extension Supplementary Payments** of the applicable coverage form is deleted and replaced with the following:

Coverage Extension Supplementary Payments

(1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- (a)** All expenses we incur.
- (b)** Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (c)** The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- (d)** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- (e)** All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- (f)** Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g)** All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

(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:

- i.** Cooperate with us in the investigation, settlement or defense of the "suit";
 - ii.** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - iii.** Notify any other insurer whose coverage is available to the indemnitee; and
 - iv.** Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (ii)** Provides us with written authorization to:
- i.** Obtain records and other information related to the "suit"; and
 - ii.** Conduct and control the defense of the indemnitee in such "suit".
- (3)** So long as the conditions in Paragraph **(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 Subparagraph **b.(2)** of the Contractual Liability Exclusion, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a)** We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b)** The conditions set forth above, or the terms of the agreement described in Paragraph **(2)(f)** above, are no longer met.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.