

TRUCK INSURANCE EXCHANGE

**MEMBERS OF THE FARMERS INSURANCE GROUP OF COMPANIES
HOME OFFICE: 4680 WILSHIRE BLVD., LOS ANGELES, CALIFORNIA 90010**

POLICY DECLARATIONS

1. **CONDOMINIUM - PREMIER**

Named : **SAWMILL STATION TOWNHOMES**
 Insured :
 Mailing : **398 CR 802**
 Address : **WINTER PARK CO 80482**

FH48964	
EasyPay Acct. No.	Prod. Count
07-07-329	60475-93-72
Agent No.	Policy Number

The named insured is an individual unless otherwise stated:

Partnership Corporation Joint Venture Organization (Any other)

Type of Business **CONDOMINIUM**

2. Policy Period from **08/24/09** (not prior to time applied for) to **08/24/10** 12:01 a.m. Standard Time
 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.

3. Insured location same as mailing address unless otherwise stated:

4. We provide insurance only for those coverages described below and for which a specific limit of insurance is shown.

PROPERTY

COVERAGES AND LIMITS OF INSURANCE

COVERAGES	PREMISE NO. 001
BUILDINGS	\$24,000,100
BUSINESS PERSONAL PROPERTY	\$1,000
BUILDING ORDINANCE AND LAW	COV 1 COVERED
	COV 2 \$50,000
	COV 3 \$25,000
CONDOMINIUM UNIT COVERAGE	INCLUDED
SPECIFIED PROPERTY	\$5,000
ASSOCIATION FEE AND EXTRA EXPENSE	\$100,000
AUTOMATIC BUILDING INCREASE	8%
PROPERTY DEDUCTIBLE	\$2,500

ADDITIONAL COVERAGES

COVERAGE	All Premises
MASTER KEY	\$100/\$10,000
BACKUP OF SEWER AND DRAIN	\$25,000
NON-OWNED AUTO LIABILITY	\$2,000,000



COVERAGE EXTENSIONS - Optional Higher Limits of Insurance Per Occurrence

COVERAGE	All Premises
ACCOUNTS RECEIVABLE	\$5,000
VALUABLE PAPERS	\$5,000
EDP	\$10,000
NEWLY ACQUIRED PROPERTY	\$250,000

OPTIONAL COVERAGES: We provide insurance for those Optional Coverages described below.

COVERAGE	All Premises
OUTDOOR SIGNS	\$7,500
EMPLOYEE DISHONESTY	\$10,000
MONEY AND SECURITIES	\$10,000
OUTDOOR PROPERTY	\$2,500
DIRECTORS & OFFICERS LIABILITY	\$2,000,000EACH CLAIM \$2,000,000ANNUAL AGGREGATE

LIABILITY AND MEDICAL PAYMENTS - Except for Fire Legal Liability, each paid claim for the following coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Paragraph D.4. of the Liability Coverage Form.

COVERAGE	LIMITS OF INSURANCE
LIABILITY	\$2,000,000 PER OCC/ \$4,000,000 GEN AGG
MEDICAL EXPENSES	\$5,000 PER PERSON
TENANTS LIABILITY	\$75,000 PER OCCURRENCE

Mortgage Holders:	
Premises No.	Mortgage Holder Name, Address

Countersigned _____ By _____
 (Date) (Authorized Representative)

Policy Number: 60475-93-72

Effective Date: 08/24/09

Policy Forms and Endorsements attached at inception:

E3024-ED3	E3314-ED3	E3422-ED3	56-5166ED3	E0127-ED1
E3015-ED2	E3333-ED3	E0125-ED1	E6097-ED2	E4009-ED4
25-2110	E0104-ED1	J6351-ED1	S0741-ED2	S0743-ED2
S0744-ED2	E0147-ED1	E0051-ED2	E2031-ED1	E2038-ED2
J6300-ED2	E3037-ED1	J6316-ED1	J6347-ED1	J6350-ED1
E2041-ED1	E6288-ED1	E3331-ED3	J6353-ED1	E0018-ED2
E0119-ED4	E3336-ED2	E0124-ED1	E3418-ED2	E9122-ED2
J6361-ED1				

Countersigned _____ By _____
(Date) (Authorized Representative)


FARMERS
E9122
 2nd Edition

**DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM
 (CONDOMINIUMS AND COOPERATIVES)**
**THIS FORM PROVIDES CLAIMS MADE COVERAGE.
 PLEASE READ THE ENTIRE FORM CAREFULLY.**

 Policy Number: 60475-93-72

 Effective Date: 08/24/09
Schedule

Limits Of Insurance	\$ 2,000,000	Each "Claim"
	\$ 2,000,000	Annual Aggregate
Retention	\$ 1,000	Each "Claim"
Retroactive Date:	<u>20090814</u>	

(Enter Date or None if no Retroactive Date applies)

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

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

Throughout this coverage form the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as an Insured under this coverage form. The words "we", "us" and "our" refer to the Company providing this insurance.

 The word insured means any person or organization qualifying as such under **C. WHO IS AN INSURED**. Other words and phrases that appear in quotation marks have special meaning. Refer to **G. DEFINITIONS**.

A. COVERAGES (INCLUDES RESTRICTIONS OR ABRIDGMENTS)
1. INSURING AGREEMENT (INCLUDES RESTRICTIONS OR ABRIDGMENTS)

a. We will pay those sums which you become legally obligated to pay as damages because of a "Claim" for any "wrongful acts" committed by any insured, or any other person for whose acts you are legally liable. The "wrongful acts" of an insured natural person must be committed in their conduct of management responsibilities for the organization. We will have the right and duty to defend you against any "suit" seeking those damages. However, we will have no duty to defend you against any "suit" seeking damages for "wrongful acts" to which this insurance does not apply. We may at our discretion, investigate any report of a "wrongful act" and settle any "Claim" that may result.

However:

- (1) The amount we will pay for "loss" is limited as described in **Limits of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of "loss".

 No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **2. SUPPLEMENTARY PAYMENTS**.

b. This insurance applies to any "Claim" for a "wrongful act" only if:

- (1) The "wrongful act" is committed in the "coverage territory";

- (2) The "wrongful act" did not occur before the Retroactive Date, if any, shown above or after the end of the "policy period";

- (3) You had no knowledge of, and could not have reasonably foreseen any circumstances which might result in a "Claim" at the inception of this Coverage Form; and

- (4) The "Claim" is first made against any insured, in accordance with paragraph c. below, during the "policy period" or any Extended Reporting Periods.

c. 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.

All "Claims" arising out of the same or related "wrongful acts" will be deemed to be one "Claim" and shall be deemed to have been made at the time the first of those "Claims" is made against any insured.

2. SUPPLEMENTARY PAYMENTS

We will pay, with respect to any covered "Claim" we investigate, defend or settle:

- a. All expenses we incur.
- b. The cost of bonds to appeal a judgment or award in any "suit" we defend or 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.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "Claim", including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the insured in the "suit".
- e. Prejudgment and post 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 prejudgment or post judgment interest based on that period of time after the offer.

These payments will not reduce the limit of insurance.

B. EXCLUSIONS

This insurance does not apply to "Claims":

1. For any "bodily injury", "property damage", "personal and advertising injury";
 2. Relating to or arising from an insured's dishonesty, fraud or willful violation of law, if a judgment or other final adjudication adverse to such insured establishes such insured committed such dishonest, fraudulent or willful conduct;
 3. For profits or losses, including an accounting of these profits or losses, resulting from the purchase or sale of any securities;
 4. For salaries, compensation, bonuses or benefits owing to employees, directors, trustees or officers;
 5. Any failure to effect, maintain or procure any insurance policy or bond, including any failure to obtain proper amounts, forms, conditions or provisions on any insurance policy or bond;
 6. Relating to or arising from the insured in fact gaining profit or financial advantage to which the insured was not legally entitled;
 7. For violation of any federal, state or local civil rights law, ordinance or regulation, including but not limited to discrimination on account of race, religion, sex, age, familial status or handicap;
 8. Relating to or arising from any:
 - a. Request, demand or order that you or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of pollutants; or
 - b. Actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of pollutants into or on real or personal property, water or the atmosphere.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
9. Relating to or arising from defects to property owned by you, any "subsidiary" or its members, whether or not such "claims" includes allegations of financial mismanagement;
 10. Relating to or arising from an actual or alleged violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974, as amended, or similar provisions of federal, state or local statutory or common law;
 11. Relating to or arising from any "employment practices";
 12. Relating to or arising from the insured serving in any capacity in any organization which at the time of such service is not an insured under this policy;
 13. Brought or maintained by or on behalf of an insured organization unless the "Claim" is brought and maintained totally independent of, and totally without the solicitation, assistance, participation or intervention of any officer, director or trustee of an insured organization;

14. For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the insured under any such contract or agreement, but this exclusion will not apply to the extent the insured would have been liable in the absence of such contract or agreement; or
15. Relating to or arising from any fact, circumstance or situation which has been the subject of any notice given under any other policy of which this Coverage Form is a direct or indirect renewal or replacement.

C. WHO IS AN INSURED (INCLUDES RESTRICTIONS OR ABRIDGMENTS)

The term insured when used in this Coverage Form includes:

1. The Named Insured listed in the Declarations and its "subsidiaries". You must notify us within 90 days after you acquire or create a new "subsidiary".
 - (a) Coverage for a newly acquired or created "subsidiary" is afforded only until the 90th day after you acquire, or form the organization or the end of the policy period, whichever is earlier;
 - (b) Coverage under this Coverage Form for any "subsidiary" and its insureds does not apply to any "wrongful act" that occurred before you acquired or formed the "subsidiary" or after the organization ceased being your "subsidiary".
2. Any person who has been, now is or shall become:
 - a. A duly elected director or trustee of an insured organization;
 - b. Duly elected or appointed officer of an insured organization;
 - c. An employee or committee member of an insured organization whether or not salaried; and
 - d. Any members of an insured organization acting at the direction of the organization's Board of Directors or Trustees on behalf of the organization in a voluntary capacity.
3. The estate or legal representatives of any insured in 2. above who is deceased or the legal representatives, receivers or assigns of any insured in 2. above who is insolvent, incompetent or bankrupt, but only to the extent the insured in 2. above would have been covered under this Coverage Form in the absence of such death, insolvency, incompetency or bankruptcy.
4. The spouse of any insured in 2. above, but only to the extent the claimant seeks recovery from the spouse, or of property owned by the spouse, for "wrongful acts" of an insured in 2. above.

D. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Schedule above and the rules below limit the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made; or
 - c. Persons or organizations making "Claims".

2. The Annual Aggregate Limit shown on the Schedule above is the most we will pay for all "loss" resulting from all "Claims" covered by this Coverage Form.
3. Subject to 2. above, the "Each Claim" Limit shown on the Schedule above is the most we will pay for all "loss" arising out of any one "Claim".
4. We will pay "loss" resulting from any single "Claim" only to the extent the "loss" exceeds the Retention amount shown above in the Schedule. A separate Retention amount shall apply to each "Claim". The insureds shall bear at their own risk the amount of the Retention. If we pay part or all of the Retention to settle a "Claim", you will promptly reimburse us for the part of the Retention paid by us.
5. No Retention amount shall apply to "loss" incurred by insured natural persons if the insured organizations are not permitted or required to indemnify the insured natural persons for such "loss" or if the insured organizations are financially insolvent.

E. EXTENDED REPORTING PERIODS (INCLUDES RESTRICTIONS OR ABRIDGMENTS)

1. We will provide one or more Extended Reporting Periods, as described below, if:
 - a. This Coverage Form is canceled or not renewed; or
 - b. We renew or replace this Coverage Form with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations; or
 - (2) Does not provide coverage for "wrongful acts" on a claims-made basis.
2. Extended Reporting Periods do not extend the "policy period", reinstate the Limits of Insurance or change the scope of coverage provided. They apply only to "Claims" for "wrongful acts" committed before the end of the "policy period" and after the Retroactive Date, if any, shown in the Schedule above.
3. **Automatic Extended Reporting Period**
 - a. If any event described in 1. above occurs, we will provide an Automatic Extended Reporting Period without additional charge. This Automatic Extended Reporting Period starts with the end of the policy period and lasts for 60 days.
 - b. This Automatic Extended Reporting Period does not apply to "Claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".
 - c. This Automatic Extended Reporting Period may not be canceled.
4. **Optional Extended Reporting Period**
 We will issue an optional Extended Reporting Period Endorsement if any event described in 1. above occurs and if the Named Insured shown in the Declarations:
 - (1) Makes a written request to purchase the optional Extended Reporting Period which we receive within 60 days after the end of the policy period; and
 - (2) Promptly pays the additional premium when due.

The optional Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the endorsement may not be canceled.

The Optional Extended Reporting Period will be for one year, starting with the end of the Automatic Extended Reporting Period of this policy.

The optional Extended Reporting Period Endorsement will also amend paragraph a. of **Condition 3 - Other Insurance** so that the insurance provided during the optional Extended Reporting Period will be specifically excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, whose policy period begins or continues after the Endorsement takes effect.

The premium for the optional Extended Reporting Period Endorsement will not exceed 200% of the annual premium for the Coverage Part to which the Endorsement would be attached and will be fully earned when the Endorsement takes effect.

F. ADDITIONAL CONDITIONS (INCLUDES RESTRICTIONS OR ABRIDGMENTS)

Insurance provided under this Coverage Form is subject to the following conditions:

1. Duties In The Event Of "Claim" or "Wrongful Act"

- a. You shall, as a condition precedent to our obligations under this Coverage Form, give written notice to us as soon as practicable, but no later than 60 days after the expiration of this policy or during any Extended Reporting Period (if applicable), of any "Claim" made against the insured.
- b. If during the Policy Period or any Extended Reporting Period you shall become aware of any "wrongful acts" which may reasonably be expected to give rise to a "Claim" being made against an insured, you may give written notice to us of the "wrongful acts" and the reasons for anticipating such a "Claim" with full particulars as to dates and persons involved. Any "Claim" which is subsequently made against an insured alleging, arising out of, based upon or attributable to such "wrongful act" shall be considered made at the time such notice of "wrongful acts" was given to us.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with a "Claim";
 - (2) Authorize us to obtain records and other information relating to such "Claim" and its defense;
 - (3) Cooperate with us in the investigation, settlement, or defense of the "Claim"; and
 - (4) Assist us upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, otherwise covered under this Coverage Form, without our consent.

2. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Form, 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.

3. Other Insurance

If other valid and collectible insurance is available to the insured for a "loss" we cover, this insurance is excess over any such other insurance, whether primary, excess, contingent or on any other basis.

When this insurance is excess over other insurance, we will pay only our share of the amount of the "loss", if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under such other insurance.

4. Representations

By accepting this policy, you agree:

- a. The statements and representations in the Application for this coverage are accurate and complete; and
- b. We have issued this policy in reliance upon your statements and representations in such Application.

5. Separation Of Insureds

Except with respect to the Limits Of Insurance, and any rights or duties specifically assigned in this Coverage Form to the Named Insured, this insurance applies as if each insured were the only insured.

6. Transfer of Rights of Recovery Against Others To Us

If you have rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. You must do nothing to impair such rights. At our request, you will transfer those rights to us and help us enforce such rights.

7. Your Right To Claims Information

We will provide the Named Insured shown in the Declarations the following information relating to this and any other preceding claims made Directors and Officers Liability insurance coverage we have issued to you during the previous three years:

- a. A list or other record of each "Claim" not previously

reported to any other insurer, of which we were notified in accordance with paragraph 2.a of the **Duties in the Event Of "Claim" or "Wrongful Act"**, above. We will include the date and brief description of the "wrongful act" if that information was in the notice we received.

- b. A summary by policy year, of payments made and amounts reserved by us under any such insurance.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew this Coverage Form, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the Named Insured within 60 days after the end of the policy period. In this case, we will provide this information within 30 days of receipt of the request.

We compile "Claim" and "wrongful acts" information for our own business purposes and exercise reasonable care in doing so. In providing this information to you we make no representations or warranties to you, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or non-renewal of this Coverage Form will be effective even if we inadvertently provide inaccurate or incomplete information.

G. DEFINITIONS (INCLUDES RESTRICTIONS OR ABRIDGMENTS)

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporter.
2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Claim" means a demand or "suit" against any insured for a "wrongful act".
4. "Coverage territory" means the United States of America including its territories and possessions, Puerto Rico and Canada.
5. "Loss" means the total amount which the insureds become legally obligated to pay as damages, judgments or settlements on account of all "Claims" made against the insured for "wrongful acts" to which this insurance applies. "Loss" does not include:
 - a. Defense costs,
 - b. Taxes, fines or penalties,
 - c. The cost to comply with any injunctive or other non-monetary relief or any agreement to provide such relief, or
 - d. The multiple portion of any multiplied damage award, or punitive or exemplary damages.

6. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
7. "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. 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 of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.
 - f. The use or another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
8. "Policy period" means the period from the effective date shown on this Coverage Form or the inception date shown in the Declarations, whichever is later, to the expiration date shown in the Declarations or until the termination of the policy or this Coverage Form.
9. "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
10. "Employment Practices" means any employment-related "wrongful act", including without limitation:
 - a. Any actual or alleged wrongful dismissal, discharge or termination (either actual or constructive) of employment;
 - b. Employment related misrepresentation;
 - c. Wrongful failure to employ or promote;
 - d. Wrongful deprivation of career opportunity;
 - e. Wrongful discipline;
 - f. Failure to grant tenure or negligent employee evaluation;
 - g. Failure to provide adequate employee policies and procedure;
 - h. Sexual or workplace harassment of any kind, (including the alleged creation of a harassing workplace environment); or
 - i. Unlawful discrimination, (including sexual or workplace harassment or creation of a harassing workplace environment) whether direct, indirect, intentional or unintentional; or
 - j. Breach of any oral or written employment contract or quasi contract.
11. "Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes an arbitration or mediation proceeding against any insured alleging such damages.
12. "Wrongful act" means any negligent acts, errors, omissions or breach of duty committed by an insured in their capacity as such.
13. "Subsidiary" means:
 - a. Any non-profit organization in which the Named Insured listed in the Declarations has the right to elect or appoint more than fifty percent (50%) of the directors or trustees, and
 - b. Any other organization specifically included as a "subsidiary" by written endorsement to this Coverage Form.

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.