CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium, in reliance on the statements in the Application, subject to the Declarations, and pursuant to all the terms, conditions, exclusions and limitations of this Community Association Management Liability Coverage Policy, the Company and the Insureds agree as follows:

I. INSURING AGREEMENTS

The Company will pay on behalf of:

A. the Insured Persons, Loss for Directors and Officers Wrongful Acts, except for Loss that the Insured Organization pays to or on behalf of the Insured Persons as indemnification;

B. the Insured Organization, Loss for Directors and Officers Wrongful Acts, that the Insured Organization pays to or on behalf of the Insured Persons as indemnification; and

C. the Insured Organization, Loss for Directors and Officers Wrongful Acts, that results from any Directors and Officers Claim first made during the Policy Period, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period and reported in accordance with section V. CONDITIONS, F. INSURED’S DUTIES IN THE EVENT OF A CLAIM.

D. The Company will pay on behalf of the Insured, Loss for any Employment Practices Wrongful Act, resulting from any Employment Claim first made during the Policy Period, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period and reported in accordance with section V. CONDITIONS, F. INSURED’S DUTIES IN THE EVENT OF A CLAIM.

II. DEFINITIONS

Wherever appearing in this Community Association Management Liability Coverage Policy, the following words and phrases appearing in bold type will have the meanings set forth in this section II. DEFINITIONS:

A. **Additional Defense Limit of Liability** means the amount set forth in ITEM 5 of the Declarations. If “Not Applicable” is selected for the Additional Defense Limit of Liability, then any reference to the Additional Defense Limit of Liability will be deemed to be deleted from this Community Association Management Liability Coverage Policy.

B. **Annual Reinstatement of the Limit of Liability** means, if included in ITEM 10 of the Declarations, the reinstatement of each applicable limit of liability for each Policy Year during the Policy Period.

C. **Application** means the application deemed to be attached to and forming a part of this Community Association Management Liability Coverage Policy, including any materials submitted and statements made in connection with that application. If the Application uses terms or phrases that differ from the terms defined in this Community Association Management Liability Coverage Policy, no inconsistency between any term or phrase used in the Application and any term defined in this Community Association Management Liability Coverage Policy will waive or change any of the terms, conditions and limitations of this Community Association Management Liability Coverage Policy.
D. **Builder or Developer Board Member** means any natural person appointed or elected to serve on the board of directors of the **Named Insured** by the builder, developer, sponsor, or declarant of the **Named Insured**, and who was both a director or officer of the **Named Insured** and a director, officer, employee or agent of such builder, developer, sponsor, or declarant of the **Named Insured**.

E. **Change of Control** means:
   1. the acquisition of the **Named Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity; or
   2. the obtaining by any person, entity or affiliated group of persons or entities the right to elect, appoint or designate more than 50% of the board of directors, board of trustees, board of managers, or functional equivalent thereof or to exercise a majority control of the board of directors, board of trustees, board of managers, or a functional equivalent thereof of the **Named Insured**.

F. **Claim** means a **Directors and Officers Claim** or **Employment Claim**.

G. **Claimant** means:
   1. a past, present or future **Employee** or applicant for employment with the **Insured Entity**; or
   2. a governmental entity or agency, including the Equal Employment Opportunity Commission or similar federal, state or local agency, when acting on behalf of or for the benefit of a past, present or future **Employee** or applicant for employment with the **Insured Entity**.

   Solely as respects any **Employment Claim**, **Claimant** does not include any independent contractor.

H. **Community Association Management** means any natural person sole proprietor, director, officer or employee of a **Community Association Management Organization**, but only in his or her capacity as property manager for the **Insured Entity** and only for property management services for the **Insured Entity** that are enumerated in the written contract between the **Community Association Management Organization** and the **Insured Entity** describing such property management services.

I. **Community Association Management Liability Coverage Policy** means, collectively, the Declarations, the **Application**, this **Community Association Management Liability Coverage**, and any endorsements attached hereto.

J. **Community Association Management Organization** means any sole proprietor or entity providing real estate property management services to an **Insured Entity** pursuant to a written contract, but only in its capacity as property manager for the **Insured Entity** and only for property management services for the **Insured Entity** that are enumerated in the written contract between the **Community Association Management Organization** and the **Insured Entity** describing such property management services.

K. **Construction Defect** means any alleged or actual defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of:
   1. faulty or incorrect design or architectural plans;
   2. improper soil testing;
   3. inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
   4. the construction, manufacture or assembly of any tangible property;
   5. the failure to provide construction related goods or services as represented or to pay for such goods or services; or
   6. the supervision of any of the activities described in 1. through 5. above.
L. **Defense Expenses** means reasonable and necessary legal fees and expenses incurred by the Company or the Insured, with the Company’s consent, in the investigation, defense, settlement and appeal of a Claim, including cost of expert consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds (without the obligation to furnish such bonds) regarding such Claim; provided that Defense Expenses will not include the salaries, wages, benefits or overhead of, or paid to, any Insured.

M. **Directors and Officers Claim** means:
   1. a written demand for monetary damages or non-monetary relief;
   2. a civil proceeding commenced by service of a complaint or similar pleading;
   3. a criminal proceeding commenced by filing of charges;
   4. a formal administrative or regulatory proceeding, commenced by a filing of a notice of charges, formal investigatory order, service of summons or similar document;
   5. an arbitration, mediation or similar alternative dispute resolution proceeding if the Insured is obligated to participate in such proceeding or if the Insured agrees to participate in such proceeding, with the Company’s written consent, such consent not to be unreasonably withheld; or
   6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,

against an Insured for any Directors and Officers Wrongful Act.

Provided that Directors and Officers Claim does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

Directors and Officers Claim does not mean any motion for, demand for, or award of, amounts from or against an Insured solely consisting of legal costs, whether or not including attorneys’ fees, arising out of a legal proceeding or alternative dispute resolution proceeding or brought by an Insured.

A Directors and Officers Claim is deemed to be made on the earliest date that any Executive Officer first receives written notice of such Directors and Officers Claim. However, if any Insured Person who is not an Executive Officer first receives written notice of a Directors and Officers Claim during the Policy Period, but no Executive Officer receives written notice of such Directors and Officers Claim until after the Policy Period has expired, then such Directors and Officers Claim will be deemed to have been made on the date such Insured Person first received written notice of the Directors and Officers Claim.

N. **Directors and Officers Wrongful Act** means:
   1. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect by, including any Personal Injury or Publishers Liability, any matter asserted against, an Insured Person in his or her capacity as such;
   2. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect by, including any Personal Injury or Publishers Liability, the Insured Organization;
   3. any matter asserted against an Insured Person solely by reason of his or her status as such.

Provided that Directors and Officers Wrongful Act does not mean any Employment Practices Wrongful Act.

O. **Employee** means a natural person whose labor or service is engaged by and directed by the Insured Entity and:
   1. who is on the payroll of the Insured Entity, including any full-time, part-time, temporary and seasonal worker; or
   2. whose services have been leased by the Insured Entity.
Independent contractors are not **Employees**. The status of an individual as an **Employee** will be determined as of the date of the alleged **Wrongful Act**.

**P. Employment Agreement** means any express or implied employment agreement regardless of the basis in which such agreement is alleged to exist, other than a collective bargaining agreement.

**Q. Employment Claim** means:
1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by service of a complaint or similar pleading;
3. a criminal proceeding commenced by filing of charges;
4. a formal administrative or regulatory proceeding, commenced by a filing of a notice of charges, formal investigative order, service of summons or similar document, including a proceeding before the Equal Employment Opportunity Commission or any similar governmental agency; provided that in the context of an audit conducted by the Office of Federal Contract Compliance Programs, **Employment Claim** will be limited to a Notice of Violation or Order to Show Cause or written demand for monetary damages or non-monetary relief;
5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company’s written consent, such consent not to be unreasonably withheld; or
6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,

against an **Insured** by or on behalf of or for the benefit of a **Claimant** for any **Employment Practices Wrongful Act**.

Provided that **Employment Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

An **Employment Claim** is deemed to be made on the earliest date that any **Executive Officer** first receives written notice of such **Employment Claim**. However, if any **Insured Person** who is not an **Executive Officer** first receives written notice of an **Employment Claim** during the **Policy Period**, but no **Executive Officer** receives written notice of such **Employment Claim** until after the **Policy Period** has expired, then such **Employment Claim** will be deemed to have been made on the date such **Insured Person** first received written notice of the **Employment Claim**.

**R. Employment Practices Wrongful Act** means any actual or alleged:
1. violation of any employment discrimination law;
2. **Retaliation**;
3. **Sexual Harassment**;
4. **Workplace Harassment**;
5. **Wrongful Termination**;
6. breach of **Employment Agreement**;
7. violation of the Family Medical Leave Act;
8. employment-related misrepresentation;
9. employment-related defamation, including libel or slander, or invasion of privacy;
10. failure or refusal to create or enforce adequate workplace or employment policies and procedures, employ or promote, including wrongful failure to grant bonuses or perquisites, or grant tenure;
11. wrongful discipline, wrongful demotion, denial of training, deprivation of career opportunity, denial or deprivation of seniority, or evaluation;
12. employment-related wrongful infliction of emotional distress;
13. negligent hiring, supervision of others, training, or retention committed or allegedly committed by any Insured, but only if such act is alleged in connection with an Employment Practices Wrongful Act set forth in 1. through 12. above; provided that the Claim alleging the negligent hiring, supervision of others, training, or retention is brought by or on behalf of any Claimant; or

14. the violation of responsibilities, duties, or obligations imposed on an Insured under any Wage and Hour Law.

S. Executive Officer means any member of the board of directors, officer, director, trustee, chairperson, or general counsel of the Insured Organization or a functional equivalent thereof, or member of the staff of the human resources department of the Insured Organization or functional equivalent thereof, or any on-site or off-site manager of the Community Association Management Organization, any Employee performing property management services for the Insured Entity, or any duly appointed member of a legal committee of the Insured Entity.

T. Financial Insolvency means, with respect to the Insured Entity, the appointment of a receiver, conservator, liquidator, trustee, or similar official; or the inability of the Insured Entity financially to indemnify the Insured Persons.

U. Insured means the Insured Person and Insured Organization.

V. Insured Entity means the Named Insured, any Subsidiary, and any such entity as a debtor in possession, as such term is used in Chapter 11 of the United States of America Bankruptcy Code, as amended, or the equivalent of a debtor in possession under any applicable foreign law.

W. Insured Organization means Insured Entity and Community Association Management Organization.

X. Insured Person means any natural person who was, is or becomes an Employee, duly elected or appointed member of the board of directors, officer, member of the board of trustees, member of the board of managers, member of the board of regents, member of the board of governors, or a functional equivalent thereof, member of a duly constituted committee, or volunteers of the Insured Entity or any Executive Officer. Insured Person also means any Community Association Management.

In the event of the death, incapacity or bankruptcy of an Insured Person, any Claim against the estate, heirs, legal representatives or assigns of such Insured Person for a Wrongful Act of such Insured Person will be deemed to be a Claim against such Insured Person.

Y. Loss means Defense Expenses and money which an Insured is legally obligated to pay as a result of a Claim, including compensatory damages, punitive or exemplary damages where insurable under applicable law, prejudgment and postjudgment interest, judgments, and settlements. Loss does not include:

1. the multiple portion of any multiplied damage award;
2. any amount not indemnified by the Insured Organization for which the Insured is absolved from payment by reason of any covenant, agreement or court order;
3. civil or criminal fines, sanctions, liquidated damages other than liquidated damages awarded under the Age Discrimination in Employment Act or the Equal Pay Act; payroll or other taxes, or damages, penalties or types of relief deemed uninsurable under applicable law;
4. future compensation, including salary or benefits, for a Claimant who has been or will be hired, promoted or reinstated to employment pursuant to a settlement, court order, judgment, award or other resolution of a Claim; or that part of any judgment or settlement which constitutes front pay, future monetary losses including pension and other benefits, or other future economic relief or the value or equivalent thereof, if the Insured has been ordered, or has the option pursuant to a judgment, order or other award or disposition of a Claim, to promote, accommodate, reinstate, or hire the Claimant to whom such sums are to be paid, but fails to do so;
5. medical, pension, disability, life insurance, stock options or other similar employee benefits except and to the extent that a judgment or settlement of a Claim includes a monetary component
measured by the value of medical, pension, disability, life insurance, stock options or other similar employee benefits, as consequential damages for a **Wrongful Act**; or

6. any amount allocated to non-covered loss pursuant to section V. CONDITIONS, R. ALLOCATION.

**Z. Named Insured** means any entity named in ITEM 1 of the Declarations.

**AA. Personal Injury** means false arrest, wrongful detention or imprisonment, malicious prosecution, defamation including libel or slander, invasion of privacy or wrongful entry or eviction.

**BB. Policy Period** means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Community Association Management Liability Coverage Policy**.

**CC. Policy Year** means:

1. the period of one year following the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof; and

2. the time between the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof and the effective date of cancellation or termination of this **Community Association Management Liability Coverage Policy** if such time period is less than one year.

**DD. Pollutant** 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.

**EE. Potential Claim** means any **Wrongful Act** that may subsequently give rise to a **Claim**.

**FF. Publishers Liability** means infringement of copyright or trademark, unauthorized use of title, plagiarism or misappropriation of ideas.

**GG. Related Wrongful Act** means all **Wrongful Acts** that have as a common nexus, or are causally connected by reason of, any fact, circumstance, situation, event or decision.

**HH. Retaliation** means any actual or alleged **Wrongful Termination** or other adverse employment action against a **Claimant** on account of such **Claimant’s** exercise or attempted exercise of rights protected by law, refusal to violate any law, disclosure or threat to disclose to a superior or to any governmental agency alleged violations of the law, or on account of the **Claimant** having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law.

**II. Sexual Harassment** means any actual or alleged unwelcome sexual advances, requests for sexual favors or any other conduct of a sexual nature that:

1. is made a term or condition of a **Claimant’s** employment or advancement;

2. the submission to or rejection of is used as a basis for decisions affecting the **Claimant**; or

3. has the purpose or effect of creating an intimidating, hostile or offensive work environment.

**JJ. Subsidiary** means:

1. any non-profit entity organized under the laws of any jurisdiction in which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity’s board of directors, board of trustees, board of managers, or functional equivalent, or, in the case of any non-profit entity that does not issue securities, over which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** has the ability to exercise managerial control;

2. any for-profit entity; provided that it has been added specifically by endorsement to this **Community Association Management Liability Coverage Policy**; or
3. subject to the provisions set forth in section V. CONDITIONS, O. ACQUISITIONS, any non-profit entity that the Insured Entity acquires or forms during the Policy Period in which the Named Insured owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity’s board of directors, board of trustees, board of managers, or functional equivalent, or, in the case of any non-profit entity that does not issue securities, over which the Named Insured has the ability to exercise managerial control.

KK. Wage and Hour Law means any federal, state, or local law or regulation governing or related to the payment of wages including the payment of overtime, on-call time, minimum wages, meal breaks, rest breaks or the classification of employees for the purpose of determining employees’ eligibility for compensation under such laws.

LL. Wage and Hour Law Employment Claim means an Employment Claim for an alleged violation of responsibilities, duties or obligations imposed on an Insured under any Wage and Hour Law, provided that Wage and Hour Law Employment Claim does not include any Employment Claim for Retaliation or any actual or alleged violation of the Equal Pay Act.

MM. Workplace Harassment means any actual or alleged harassment, other than Sexual Harassment, which creates a work environment that interferes with job performance, or creates an intimidating, hostile, or offensive work environment.


All Related Wrongful Acts are a single Wrongful Act for purposes of this Community Association Management Liability Coverage Policy, and all Related Wrongful Acts will be deemed to have occurred at the time the first of such Related Wrongful Acts occurred whether prior to or during the Policy Period.

OO. Wrongful Termination means the actual, alleged or constructive termination of an employment relationship between a Claimant and the Insured Entity.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO ALL LOSS

1. The Company will not be liable for Loss for any Claim based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any damage to, destruction of, deterioration of, loss of, or loss of use of any tangible property, including any Construction Defect, whether or not as a result of inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot.

2. The Company will not be liable for Loss for any Claim based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any bodily injury, sickness, disease, death, loss of consortium, emotional distress, mental anguish, humiliation, or loss of reputation; provided that this exclusion will not apply to allegations of emotional distress or mental anguish if, and only to the extent, that such allegations are made as part of any Employment Claim.

3. The Company will not be liable for Loss for any Claim based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any nuclear reaction, nuclear radiation, radioactive contamination, or radioactive substance, or the hazardous properties of nuclear material; or infectious waste or medical waste.

4. The Company will not be liable for Loss for any Claim:
   a. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of;
b. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any request, demand, order, or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of; or

c. brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of,

any Pollutant, any oil or oil products, any electric, magnetic, or electromagnetic field, any odor, or any actual or alleged presence or actual, alleged, or threatened dispersal of any asbestos, asbestos fibers, or products containing asbestos; provided that this exclusion will not apply to Employment Claims for Retaliation.

5. The Company will not be liable for Loss for any Claim based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, event or Wrongful Act underlying or alleged in any prior or pending civil, criminal, administrative or regulatory proceeding against any Insured as of or prior to the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this Community Association Management Liability Coverage Policy.

6. The Company will not be liable for Loss for any Claim for any fact, circumstance, situation, or event that is or reasonably would be regarded as the basis for a claim about which any Executive Officer had knowledge prior to the applicable Continuity Date set forth in ITEM 5 of the Declarations for this Community Association Management Liability Coverage Policy.

7. The Company will not be liable for Loss for any Claim based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, event, or Wrongful Act which, before the Inception Date set forth in ITEM 2 of the Declarations, was the subject of any notice of Claim or potential claim given by or on behalf of any Insured under any policy of insurance of which this Community Association Management Liability Coverage Policy is a direct renewal or replacement or which it succeeds in time.

8. The Company will not be liable for Loss for any Claim for any violation of responsibilities, duties or obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation, or for an Insured’s failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, or enroll or maintain the enrollment of an employee or dependent in, any employee benefit plan, fund or program, including contracts or agreements which are not subject to the provisions of ERISA; provided that this exclusion will not apply to Employment Claims for Retaliation.

9. The Company will not be liable for Loss for any Claim based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any Wrongful Act by an entity that is or was a Subsidiary, or any Insured Person of such entity, occurring at any time during which such entity was not a Subsidiary.

10. The Company will not be liable for Loss for any Claim for any violation of responsibilities, duties or obligations under any law concerning Social Security, unemployment insurance, workers’ compensation, disability insurance, or any similar or related federal, state or local law or regulation, or for any violation of the Worker Adjustment and Retraining Notification Act (WARN), Occupational Safety and Health Act (OSHA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the National Labor Relations Act (NLRA), or amendments thereto or regulations promulgated thereunder, or any similar or related federal, state or local law or regulation or for any violation of responsibilities, duties or obligations imposed on an Insured under any Wage and Hour Law; provided that this exclusion will not apply to:

a. Employment Claims for Retaliation;

b. Employment Claims for any actual or alleged violation of the Equal Pay Act; or
c. **Defense Expenses**, not to exceed $100,000, for any **Wage and Hour Law Employment Claim**.

11. The Company will not be liable for **Loss** for any **Claim** by or on behalf of the **Insured Entity** against any **Community Association Management** or **Community Association Management Organization**.

12. The Company will not be liable for **Loss** for any **Claim** for **Wrongful Acts** by an **Insured Person** as a director, officer or employee of any entity other than the **Insured Entity**, even if such service is directed or requested by the **Insured Entity**.

13. The Company will not be liable for **Loss** for any **Claim** made against any **Builder or Developer Board Member** after the end of the **Policy Year** in which such **Builder or Developer Board Member** ceases to serve on the board of directors of the **Named Insured**.

14. The Company will not be liable for **Loss** for any **Claim** for **Wrongful Acts** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the ownership, control, management or operation of any for-profit entity of the **Insured Entity** until and unless it has been added specifically by endorsement as a **Subsidiary** to this **Community Association Management Liability Coverage Policy**.

15. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any deliberately fraudulent or dishonest act or omission or any purposeful violation of any statute or regulation by such **Insured**; provided that this exclusion will not apply unless a judgment or other final adjudication adverse to such **Insured** establishes such a deliberately fraudulent or dishonest act or omission or purposeful violation.

16. The Company will not be liable for **Loss** for any **Claim** for an **Insured** gaining in fact any profit, remuneration or advantage to which any **Insured** was not legally entitled.

17. The Company will not be liable for **Loss** for any **Claim** by or on behalf of an employee of the **Community Association Management Organization** for employment-related **Wrongful Acts**.

**B. EXCLUSIONS APPLICABLE TO LOSS, OTHER THAN DEFENSE EXPENSES**

1. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** seeking costs and expenses incurred or to be incurred to comply with an order, judgment or award of injunctive or other equitable relief of any kind, or that portion of a settlement encompassing injunctive or other equitable relief, including actual or anticipated costs and expenses associated with or arising from an **Insured**'s obligation to provide reasonable accommodation under, or otherwise comply with, the Americans With Disabilities Act or the Rehabilitation Act of 1973, including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation.

2. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** for liability under or breach of any oral, written, or implied contract or agreement, including any liability of others assumed by an **Insured** under any such contract or agreement; provided that this exclusion will not apply to:
   a. any **Employment Claim**; or
   b. the extent that the **Insured** would have been liable in the absence of such contract or agreement.

3. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** seeking severance pay, damages or penalties under an express written **Employment Agreement**, or under any policy or procedure for payment in the event of separation from employment; or sums sought solely on the basis of a claim for unpaid services.
IV. SEVERABILITY OF EXCLUSIONS

No fact pertaining to or knowledge or information possessed by any Insured Person will be imputed to any other Insured Person to determine the application of any of the exclusions set forth in section III. EXCLUSIONS above. Only facts pertaining to or knowledge or information possessed by an officer, director, or trustee of the Insured Organization will be imputed to the Insured Organization for purposes of applying any exclusion in section III. EXCLUSIONS above.

V. CONDITIONS

A. TERRITORY

This Community Association Management Liability Coverage Policy applies to Claims made or Wrongful Acts occurring anywhere in the world, where legally permissible.

B. RETENTION

The Insured will bear uninsured at its own risk the amount of any applicable Retention, which amount must be paid in satisfaction of Loss.

If any Claim gives rise to coverage under this Community Association Management Liability Coverage Policy, the Company has no obligation to pay Loss, including Defense Expenses, until the applicable Retention amount set forth in ITEM 5 of the Declarations has been paid by the Insured.

If any Claim is subject to different Retentions under this Community Association Management Liability Coverage Policy, the applicable Retentions will be applied separately to each part of such Claim, but the sum of such Retentions will not exceed the largest applicable Retention under this Community Association Management Liability Coverage Policy.

No Retention will apply to an Insured Person if indemnification by the Insured Organization is not permitted by law or if the Insured Organization is unable to make such indemnification solely by reason of its Financial Insolvency. The Insured Organization will be conclusively deemed to have indemnified all Insured Persons to the extent that the Insured Organization is permitted or required to indemnify them pursuant to law, common or statutory, or contract, or the charter or by-laws of the Insured Organization, unless such indemnification is not made by the Insured Organization solely by reason of its Financial Insolvency.

Regardless of whether Loss resulting from any Claim against Insured Persons is actually indemnified, Insuring Agreement B and the Retention amount set forth in ITEM 5 of the Declarations will apply to any Loss as to which indemnification by the Insured Organization is legally permissible, unless such indemnification is not made by the Insured Organization solely by reason of its Financial Insolvency.

The certificate of incorporation, charter, articles of association or other organizational documents of the Insured Organization, including by-laws and resolutions, will be deemed to have been adopted or amended to provide indemnification to the Insured Persons to the fullest extent permitted by law.

The Company, at its sole discretion, may pay all or part of the Retention amount on behalf of any Insured, and in such event, the Insureds agree to repay the Company any amounts so paid.

C. LIMITS OF LIABILITY

1. Limits of Liability

This section applies as described herein regardless of the number of persons or entities bringing Claims or the number of persons or entities who are Insureds, and regardless of when payment is made by the Company or when an Insured's legal obligation with regard thereto arises or is established.
Subject to any applicable Annual Reinstatement of the Limit of Liability, the Limit of Liability set forth in ITEM 5 of the Declarations is the maximum amount the Company will pay for all Loss, including Defense Expenses, for all Claims under this Community Association Management Liability Coverage Policy.

However, the Company’s maximum limit of liability for Defense Expenses for all Wage and Hour Law Employment Claims is further limited by the following:

The Company’s maximum limit of liability for Defense Expenses for all Wage and Hour Law Employment Claims will not exceed $100,000, which amount is included within, and is not in addition to, any applicable limit of liability.

2. Annual Reinstatement of the Limit of Liability

Regardless of the number of persons or entities bringing Claims or the number of persons or entities who are Insureds, and regardless of when payment is made by the Company or when an Insured’s legal obligation with regard thereto arises or is established, if ITEM 10 of the Declarations includes an Annual Reinstatement of the Limit of Liability:

a. the Company’s maximum limit of liability for all Loss, including Defense Expenses, for all Claims made during each Policy Year will not exceed the remaining Limit of Liability stated in ITEM 5 of the Declarations; and

b. with regard to the Extended Reporting Period or the Run-Off Extended Reporting Period, if applicable, the Company’s maximum limit of liability for all Claims made during the Extended Reporting Period or the Run-Off Extended Reporting Period will not exceed the remaining Limit of Liability for the last Policy Year in effect at the time of the termination or cancellation of the Community Association Management Liability Coverage Policy or the Change of Control.

3. Other Provisions

If any Claim made against a Community Association Management Organization or Community Association Management Liability Coverage Policy and any other liability policy of similar insurance issued by the Company or any of its affiliates, the Company’s maximum aggregate limit of liability under all such policies for all Loss, including Defense Expenses, from such Claim will not exceed $1,000,000 subject to the remaining Limits of Liability of such policies or if the Limit of Liability for this Community Association Management Liability Coverage Policy is less than $1,000,000, then all Loss, including Defense Expenses, from such Claim will not exceed the Limit of Liability for this Community Association Management Liability Coverage Policy as set forth in ITEM 5 of the Declarations subject to the remaining Limit of Liability for such policies.

Payment of Defense Expenses will reduce and may exhaust all applicable limits of liability. In the event the amount of Loss exceeds the portion of the applicable limit of liability remaining after prior payments of Loss, the Company’s liability will not exceed the remaining amount of the applicable limit of liability. In no event will the Company be obligated to make any payment for Loss, including Defense Expenses, with regard to a Claim after the applicable limit of liability has been exhausted by payment or tender of payment of Loss.

If the Limit of Liability set forth in ITEM 5 of the Declarations is exhausted by the payment of amounts covered under this Community Association Management Liability Coverage Policy, the premium for this Community Association Management Liability Coverage Policy will be fully earned, all obligations of the Company under this Community Association Management Liability Coverage Policy will be completely fulfilled and exhausted, including any duty to defend, and the Company will have no further obligation of any kind or nature whatsoever under this Community Association Management Liability Coverage Policy.
D. ADDITIONAL DEFENSE COVERAGE

Regardless of the number of persons or entities bringing Claims or the number of persons or entities who are Insureds, and regardless of when payment is made by the Company or when an Insured’s legal obligation with regard thereto arises or is established, if ITEM 5 of the Declarations indicates that this Community Association Management Liability Coverage Policy includes Additional Defense Coverage, Defense Expenses incurred by the Company or the Insured, with the Company’s consent, in the defense of any Claim made during the Policy Period under this Community Association Management Liability Coverage Policy will apply first to and reduce the Additional Defense Limit of Liability. The Additional Defense Limit of Liability will be in addition to, and not part of the Community Association Management Liability Coverage Policy’s applicable limit of liability. The Additional Defense Limit of Liability is applicable to Defense Expenses only. If the Annual Reinstatement of the Limit of Liability is applicable, the Additional Defense Limit of Liability will be reinstated for each Policy Year.

Upon exhaustion of the Additional Defense Limit of Liability:

1. Defense Expenses incurred by the Company or the Insured, with the Company’s consent, in the defense of a Claim are part of and not in addition to any applicable limit of liability; and

2. payment by the Company or the Insured, with the Company’s consent, of Defense Expenses reduces any applicable limit of liability.

However, the Company’s maximum limit of liability for Defense Expenses for all Wage and Hour Law Employment Claims that are paid pursuant to the Additional Defense Limit of Liability will not exceed $100,000 for all Wage and Hour Law Employment Claims. Such Defense Expenses will be part of, and not in addition to, the $100,000 limit of liability for all Wage and Hour Law Employment Claims and such $100,000 limit of liability for all Wage and Hour Law Employment Claims will be reduced and may be exhausted by payment of such Defense Expenses under the Additional Defense Limit of Liability.

E. CLAIM DEFENSE

1. The Company will have the right and duty to defend any Claim even if the allegations are groundless, false or fraudulent, including the right to select defense counsel with respect to such Claim; provided, that the Company will not be obligated to defend or to continue to defend any Claim after the applicable limit of liability has been exhausted by payment of Loss.

2. The Insured agrees to cooperate with the Company and, upon the Company’s request, assist in making settlements and in the defense of Claims and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the Insured because of an act or omission insured under such Community Association Management Liability Coverage Policy, and will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

F. INSURED’S DUTIES IN THE EVENT OF A CLAIM

The Insured’s duty to report a Claim commences on the earliest date a written notice thereof is received by an Executive Officer. If an Executive Officer becomes aware that a Claim has been made against any Insured, the Insured, as a condition precedent to any rights under this Community Association Management Liability Coverage Policy, must give to the Company written notice of the particulars of such Claim, including all facts related to any alleged Wrongful Act, the identity of each person allegedly involved in or affected by such Wrongful Act, and the dates of the alleged events, as soon as practicable, but in no event later than 60 days after the expiration date of the Policy Period, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period. The Insured agrees to give the Company such information, assistance and cooperation as it may reasonably require.

All notices under this subsection must be sent to the Company by electronic mail, facsimile, or mail as set forth in ITEM 3 of the Declarations and will be effective upon receipt. The Insured agrees not to voluntarily settle any Claim, make any settlement offer, assume or admit any liability or, except at the
Insured’s own cost, voluntarily make any payment, pay or incur any Defense Expenses, or assume any obligation or incur any other expense, without the Company’s prior written consent, such consent not to be unreasonably withheld. The Company is not liable for any settlement, Defense Expenses, assumed obligation or admission to which it has not consented.

G. NOTICE OF POTENTIAL CLAIMS

If an Insured becomes aware of a Potential Claim and gives the Company written notice of the particulars of such Potential Claim, including all facts related to the Wrongful Act, the identity of each person allegedly involved in or affected by such Wrongful Act, the dates of the alleged events, and the reasons for anticipating a Claim, as soon as practicable during the Policy Period, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period, any Claim subsequently made against any Insured arising out of such Wrongful Act will be deemed to have been made during the Policy Period.

All notices under this subsection must be sent to the Company by electronic mail, facsimile, or mail as set forth in ITEM 3 of the Declarations and will be effective upon receipt.

H. RELATED CLAIMS

All Claims or Potential Claims for Related Wrongful Acts will be considered as a single Claim or Potential Claim, whichever is applicable, for purposes of this Community Association Management Liability Coverage Policy. All Claims or Potential Claims for Related Wrongful Acts will be deemed to have been made at the time the first of such Claims or Potential Claims for Related Wrongful Acts were made whether prior to or during the Policy Period, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period.

I. SETTLEMENT

The Company may, with the written consent of the Insured, make any settlement of a Claim it deems expedient. If the Insured withholds consent to such settlement, the Company's liability for all Loss on account of such Claim will not exceed the amount for which the Company could have settled such Claim plus Defense Expenses accrued as of the date such settlement was proposed in writing by the Company.

J. OTHER INSURANCE AND INDEMNIFICATION

If any Loss otherwise covered under this Community Association Management Liability Coverage Policy is insured under any other valid and collectible policy or policies, then this Community Association Management Liability Coverage Policy will apply only in excess of the amount of any deductibles, retentions and limits of liability under such other insurance, whether such other insurance is stated to be primary, contributory excess, contingent or otherwise, unless such other insurance is written specifically excess of this Community Association Management Liability Coverage Policy by reference in such other policy to the policy number of this Community Association Management Liability Coverage Policy.

Additionally, this Community Association Management Liability Coverage Policy will apply only as excess insurance over, and will not contribute with indemnification to which any Insured Person is entitled from any outside entity other than the Insured Organization. This Community Association Management Liability Coverage Policy will not be subject to the terms of any other insurance.

K. ORDER OF PAYMENTS

If Loss, other than Defense Expenses, from any Directors and Officers Claim exceeds the remaining applicable limit of liability as set forth in ITEM 5 of the Declarations:

1. the Company will first pay Loss for such Directors and Officers Claim to which Insuring Agreement A. applies; then

2. to the extent that any amount of the applicable limit of liability remains available, the Company will pay Loss for such Directors and Officers Claim to which Insuring Agreements B. and C. apply.
Upon written request of the Insured Entity by and through any Executive Officer of the Insured Entity, the Company will either pay or withhold payment of Loss from such Directors and Officers Claim under Insuring Agreements B. and C., as applicable. In the event of a written request to withhold payment, the Company will make any future payment only for Loss from any such Directors and Officers Claim to which Insuring Agreement A. applies, unless otherwise so instructed upon written request by and through an Executive Officer of the Insured Entity.

L. SUBROGATION

In the event of payment under this Community Association Management Liability Coverage Policy, the Company is subrogated to all of the Insured’s rights of recovery against any person or organization to the extent of such payment and the Insured agrees to execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured will do nothing to prejudice such rights.

M. RECOVERIES

All recoveries from third parties for payments made under this Community Association Management Liability Coverage Policy will be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

1. first, to the Company to reimburse the Company for any Retention amount it has paid on behalf of any Insured;
2. second, to the Insured to reimburse the Insured for the amount it has paid which would have been paid hereunder but for the fact that it is in excess of the applicable limits of liability hereunder;
3. third, to the Company to reimburse the Company for the amount paid hereunder; and
4. fourth, to the Insured in satisfaction of any applicable Retention;

provided that recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company’s benefit.

N. CHANGE OF CONTROL

If, during the Policy Period, a Change of Control occurs, coverage will continue in full force and effect with respect to Claims for Wrongful Acts committed before such event, but coverage will cease with respect to Claims for Wrongful Acts committed after such event. No coverage will be available hereunder for Loss, including Defense Expenses, for any Claim based upon, alleging, arising out of, or in any way relating to, directly or indirectly any Wrongful Act committed or allegedly committed after such event. After any such event, this Community Association Management Liability Coverage Policy may not be canceled by the Named Insured and the entire premium for the Community Association Management Liability Coverage Policy will be deemed fully earned.

Upon the occurrence of any Change of Control, the Named Insured will have the right to give the Company notice that it desires to purchase a Run-Off Extended Reporting Period for the period set forth in ITEM 9 of the Declarations following the effective date of such Change of Control, regarding Claims made during such Run-Off Extended Reporting Period against persons or entities who at the effective date of the Change of Control are Insureds, but only for Wrongful Acts occurring wholly prior to such Change of Control and which otherwise would be covered by this Community Association Management Liability Coverage Policy, subject to the following provisions:

1. such Run-Off Extended Reporting Period will not provide new, additional or renewed limits of liability; and
2. the Company’s total liability for all Claims made during such Run-Off Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the Change of Control.

The premium due for the Run-Off Extended Reporting Period will equal the percentage set forth in ITEM 9 of the Declarations of the annualized premium of this Community Association Management Liability
Coverage Policy, including the fully annualized amount of any additional premiums charged by the Company during the Policy Period prior to the Change of Control. The entire premium for the Run-Off Extended Reporting Period will be deemed fully earned at the commencement of such Run-Off Extended Reporting Period.

The right to elect the Run-Off Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 30 days of the Change of Control. In the event the Run-Off Extended Reporting Period is purchased, the option to purchase the Extended Reporting Period in section V. CONDITIONS, Q. EXTENDED REPORTING PERIOD of this Community Association Management Liability Coverage Policy will terminate. In the event the Run-Off Extended Reporting Period is not purchased, the Named Insured will have the right to purchase the Extended Reporting Period under the terms of section V. CONDITIONS, Q. EXTENDED REPORTING PERIOD.

If, at any time during the Policy Period, the Insured Entity eliminates or reduces its ownership interest in or control over a Subsidiary, such that it no longer meets the definition of a Subsidiary, coverage will continue for such entity and its directors, officers, and employees, but only with regard to Claims for Wrongful Acts which occurred wholly during the time that the entity was a Subsidiary.

O. ACQUISITIONS

If, during the Policy Period, the Insured Entity acquires or forms a Subsidiary, this Community Association Management Liability Coverage Policy will provide coverage for such Subsidiary and its respective Insured Persons, subject to all other terms and conditions of this Community Association Management Liability Coverage Policy provided written notice of such acquisition or formation has been given to the Company, and specific application has been submitted on the Company’s form in use at the time, together with such documentation and information as the Company may require, all within 90 days after the effective date of such formation or acquisition. Coverage for such Subsidiary will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the Named Insured has paid the Company any additional premium as may be required by the Company.

The 90-day notice requirement and the 90-day limitation of coverage will not apply provided that: (1) the assets of the acquired or formed Subsidiary do not exceed 30% of the total assets of the Insured Entity as reflected in the Insured Entity’s most recent fiscal year-end financial statement; or (2) the acquisition or formation occurs less than 90 days prior to the end of the Policy Period.

P. SPOUSAL AND DOMESTIC PARTNER LIABILITY COVERAGE

This Community Association Management Liability Coverage Policy will, subject to all of its terms, conditions, and limitations, be extended to apply to Loss resulting from a Claim made against a person who, at the time the Claim is made, is a lawful spouse or a person qualifying as a domestic partner under the provisions of any applicable federal, state or local law (a “Domestic Partner”) of an Insured Person, but only if and so long as:

1. the Claim against such spouse or Domestic Partner results from a Wrongful Act actually or allegedly committed by the Insured Person, to whom the spouse is married, or who is joined with the Domestic Partner; and

2. such Insured Person and his or her spouse or Domestic Partner are represented by the same counsel in connection with such Claim.

No spouse or Domestic Partner of an Insured Person will, by reason of this subsection have any greater right to coverage under this Community Association Management Liability Coverage Policy than the Insured Person to whom such spouse is married, or to whom such Domestic Partner is joined.

The Company has no obligation to make any payment for Loss in connection with any Claim against a spouse or Domestic Partner of an Insured Person for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse or Domestic Partner.
Q. EXTENDED REPORTING PERIOD

At any time prior to or within 60 days after the effective date of termination or cancellation of this Community Association Management Liability Coverage Policy for any reason other than nonpayment of premium, the Named Insured may give the Company written notice that it desires to purchase an Extended Reporting Period for the period set forth in ITEM 8 of the Declarations following the effective date of such termination or cancellation, regarding Claims made during such Extended Reporting Period against persons or entities who at or prior to the effective date of termination or cancellation are Insureds, but only for Wrongful Acts occurring wholly prior to the effective date of the termination or cancellation and which otherwise would be covered by this Community Association Management Liability Coverage Policy, subject to the following provisions:

1. such Extended Reporting Period will not provide a new, additional or renewed limit(s) of liability; and
2. the Company's maximum limit of liability for all Claims made during such Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the termination or cancellation.

The premium due for the Extended Reporting Period will equal the percentage set forth in ITEM 8 of the Declarations of the annualized premium of this Community Association Management Liability Coverage Policy, including the fully annualized amount of any additional premiums charged by the Company during the Policy Year prior to such termination or cancellation. The entire premium for the Extended Reporting Period will be deemed to have been fully earned at the commencement of such Extended Reporting Period.

The right to elect the Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 60 days of the effective date of the termination or cancellation. If the Named Insured obtains a subsequent policy at the expiration of a Policy Period from the Company, no termination or cancellation shall have occurred.

R. ALLOCATION

1. If there is a Claim under this Community Association Management Liability Coverage Policy in which the Insureds who are afforded coverage for such Claim incur an amount consisting of both Loss that is covered by this Community Association Management Liability Coverage Policy and also loss that is not covered by this Community Association Management Liability Coverage Policy, because such Claim includes both covered and uncovered matters, then such covered Loss and uncovered loss will be allocated as follows:

   a. one hundred percent of Defense Expenses incurred by and on behalf of the Insureds who are afforded coverage for such Claim will be allocated to covered Loss; and
   b. all loss other than Defense Expense will be allocated between covered Loss and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and settlement of, the Claim by the Insured Persons, the Insured Organization, and others not insured under this Community Association Management Liability Coverage Policy. In making such a determination, the Insured Organization, the Insured Persons and the Company agree to use their best efforts to determine a fair and proper allocation of all such amounts. In the event that an allocation cannot be agreed to, then the Company will be obligated to make an interim payment of the amount of Loss which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this Community Association Management Liability Coverage Policy and applicable law.

S. CANCELLATION AND NONRENEWAL

The Company may cancel this Community Association Management Liability Coverage Policy in which case 20 days written notice will be given to the Named Insured. The Company has the right to the premium amount for the portion of the Policy Period during which this Community Association Management Liability Coverage Policy was in effect.
Subject to the provisions set forth in section V. CONDITIONS, N. CHANGE OF CONTROL, the **Named Insured** may cancel this **Community Association Management Liability Coverage Policy** by mailing the Company written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. The earned premium will be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this **Community Association Management Liability Coverage Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Named Insured** written notice to that effect at least 30 days before the Expiration Date set forth in ITEM 2 of the Declarations.

**T. ACTION AGAINST THE COMPANY**

No action will lie against the Company unless there has been full compliance with all of the terms of this **Community Association Management Liability Coverage Policy**.

No person or organization has any right under this **Community Association Management Liability Coverage Policy** to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor may the Company be impleaded by an **Insured** or said **Insured's** legal representative. Bankruptcy or insolvency of any **Insured** or an **Insured's** estate does not relieve the Company of any of its obligations hereunder.

**U. CHANGES**

Only the **Named Insured** is authorized to make changes in the terms of this **Community Association Management Liability Coverage Policy** and solely with the Company’s prior written consent. This **Community Association Management Liability Coverage Policy's** terms can be changed, amended or waived only by endorsement issued by the Company and made a part of this **Community Association Management Liability Coverage Policy**. Notice to any representative of the **Insured** or knowledge possessed by any agent or by any other person will not effect a waiver or change to any part of this **Community Association Management Liability Coverage Policy**, or estop the Company from asserting any right under the terms, conditions and limitations of this **Community Association Management Liability Coverage Policy**, nor may the terms, conditions and limitations hereunder be waived or changed, except by a written endorsement to this **Community Association Management Liability Coverage Policy** issued by the Company.

**V. ASSIGNMENT**

This **Community Association Management Liability Coverage Policy** may not be assigned or transferred, and any such attempted assignment or transfer is void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

**W. REPRESENTATIONS**

By acceptance of the terms set forth in this **Community Association Management Liability Coverage Policy**, each **Insured** represents and agrees that the statements contained in the **Application**, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are said **Insured's** agreements and representations, that such representations are material to the Company's acceptance of this risk, that this **Community Association Management Liability Coverage Policy** is issued in reliance upon the truth of such representations, and embodies all agreements existing between said **Insured** and the Company or any of its agents.

If any statement or representation in the **Application** is untrue, this **Community Association Management Liability Coverage Policy** is void and of no effect whatsoever, but only with respect to:

1. any **Insured Person** who knew, as of the Inception Date set forth in ITEM 2 of the Declarations, that the statement or representation was untrue;
2. any Insured Organization, with respect to its indemnification coverage, to the extent it indemnifies any Insured Person referenced in 1. above; and

3. any Insured Organization, if the person who signed the Application knew that the statement or representation was untrue.

Whether an Insured Person had such knowledge will be determined without regard to whether the Insured Person actually knew the Application, or any other application completed for this Community Association Management Liability Coverage Policy, contained any such untrue statement or representation.

X. LIBERALIZATION

If, during the Policy Period, the Company is required, by law or by insurance supervisory authorities of the state in which this Community Association Management Liability Coverage Policy was issued, to make any changes in the form of this Community Association Management Liability Coverage Policy, by which the insurance afforded by this Community Association Management Liability Coverage Policy could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance will inure to the benefit of the Insured as of the date the revision or change is approved for general use by the applicable department of insurance.

Y. AUTHORIZATION

By acceptance of the terms herein, the Named Insured agrees to act on behalf of all Insureds with respect to the payment of premiums, the receiving of any return premiums that may become due hereunder, and the receiving of notices of cancellation, nonrenewal, or change of coverage, and the Insureds each agree that they have, individually and collectively, delegated such authority exclusively to the Named Insured; provided that nothing herein will relieve the Insureds from giving any notice to the Company that is required under this Community Association Management Liability Coverage Policy.

Z. ENTIRE AGREEMENT

This Community Association Management Liability Coverage Policy, including the Declarations, the Application, and any endorsements attached thereto, constitute the entire agreement between the Company and the Insured.

AA. HEADINGS

The titles of the various paragraphs of this Community Association Management Liability Coverage Policy and its endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provision to which they relate.