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CONDOMINIUM PAC

A Custom Insurance Policy Prepared for:

HEREFORDSHIRE CONDOMINIUM
P.O. BOX 1523

OGDEN

UT 84402-1523

Presented by: STRATFORD INS GROUP



One Tower Square, Hartford, Connecticut 06183

COMMON POLICY DECLARATIONS
CONDOMINIUM PAC
BUSINESS: CONDO 1-4

POLICY NO.: I-680-2980M602-ACJ-08
ISSUE DATE: 05-23-08

INSURING COMPANY:
TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:

HEREFORDSHIRE CONDOMINIUM
P.O. BOX 1523

OGDEN UT 84402-1523

2. POLICY PERIOD: From 05-13-08 to 05-13-09 12:01 A.M. Standard Time at your mailing address.

3. DESCRIPTION OF PREMISES:

PREM. LOC. NO. BLDG. NO. OCCUPANCY ADDRESS
(same as Mailing Address unless specified otherwise)

SEE IL T0 20 02 05

4. COVERAGE PARTS AND SUPPLEMENTS FORMING PART OF THIS POLICY AND INSURING COMPANIES

COVERAGE PARTS and SUPPLEMENTS	INSURING COMPANY
Businessowners Coverage Part	ACJ
Directors & Officers Coverage Supplement	ACJ

5. The COMPLETE POLICY consists of this declarations and all other declarations, and the forms and endorsements for which symbol numbers are attached on a separate listing.

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy containing its complete provisions.

POLICY	POLICY NUMBER	INSURING COMPANY
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DIRECT BILL

7. PREMIUM SUMMARY:

Provisional Premium	\$	12,517.00
Due at Inception	\$	
Due at Each	\$	

NAME AND ADDRESS OF AGENT OR BROKER

STRATFORD INS GROUP CKL95
2307 NORTH HILL FIELD ROAD
SUITE 103
LAYTON UT 84041
IL T0 19 02 05 (Page 1 of 01)
Office: SALT LAKE CITY DOWN

COUNTERSIGNED BY:

Authorized Representative

DATE: _____



One Tower Square, Hartford, Connecticut 06183

BUSINESSOWNERS COVERAGE PART DECLARATIONS

CONDOMINIUM PAC

POLICY NO.: I-680-2980M602-ACJ-08

ISSUE DATE: 05-23-08

INSURING COMPANY:

TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

POLICY PERIOD:

From 05-13-08 to 05-13-09 12:01 A.M. Standard Time at your mailing address.

FORM OF BUSINESS: LLC

COVERAGES AND LIMITS OF INSURANCE: Insurance applies only to an item for which a "limit" or the word "included" is shown.

COMMERCIAL GENERAL LIABILITY COVERAGE

OCURRENCE FORM	LIMITS OF INSURANCE	
General Aggregate (except Products-Completed Operations Limit)	\$	2,000,000
Products-Completed Operations Aggregate Limit	\$	2,000,000
Personal and Advertising Injury Limit	\$	1,000,000
Each Occurrence Limit	\$	1,000,000
Damage to Premises Rented to You	\$	300,000
Medical Payments Limit (any one person)	\$	5,000

BUSINESSOWNERS PROPERTY COVERAGE

DEDUCTIBLE AMOUNT: Businessowners Property Coverage: \$ 1,000 per occurrence.
 Building Glass: \$ 1,000 per occurrence.

BUSINESS INCOME/EXTRA EXPENSE LIMIT: Actual loss for 12 consecutive months

Period of Restoration-Time Period: Immediately

Other additional coverages apply and may be changed by an endorsement. Please read the policy.

SPECIAL PROVISIONS:

**COMMERCIAL GENERAL LIABILITY COVERAGE
IS SUBJECT TO A GENERAL AGGREGATE LIMIT**

BUSINESSOWNERS PROPERTY COVERAGE

PREMISES LOCATION NO.:	01	BUILDING NO.:	01		
	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING		\$ 1,000,000	RC*	90%	0.0%
	*Replacement Cost				
PREMISES LOCATION NO.:	01	BUILDING NO.:	02		
	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING		\$ 1,000,000	RC*	90%	0.0%
	*Replacement Cost				
PREMISES LOCATION NO.:	01	BUILDING NO.:	03		
	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING		\$ 1,400,000	RC*	90%	0.0%
	*Replacement Cost				
PREMISES LOCATION NO.:	01	BUILDING NO.:	04		
	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING		\$ 1,400,000	RC*	90%	0.0%
	*Replacement Cost				
PREMISES LOCATION NO.:	01	BUILDING NO.:	05		
	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING		\$ 1,650,000	RC*	90%	0.0%
	*Replacement Cost				
PREMISES LOCATION NO.:	01	BUILDING NO.:	06		
	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING		\$ 2,990,000	RC*	90%	0.0%
	*Replacement Cost				

Other coverage extensions apply and may be changed by an endorsement. Please read the policy.

POLICY NUMBER: I-680-2980M602-ACJ-08

EFFECTIVE DATE: 05-13-08

ISSUE DATE: 05-23-08

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS
BY LINE OF BUSINESS.

IL T0 19 02 05 COMMON POLICY DEC
MP T0 01 02 05 BUSINESSOWNERS COVERAGE PART DECS
IL T8 01 01 01 FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
IL T3 15 09 07 COMMON POLICY CONDITIONS
IL T0 20 02 05 ADDITIONAL LOCATIONS

BUSINESSOWNERS

MP T1 30 02 05 TBL OF CONT-BUSINESSOWNERS COV-DELUXE
MP T1 02 02 05 BUSINESSOWNERS PROPERTY COV-SPEC FORM
MP T1 03 02 05 AMENDATORY PROVISIONS-CONDOMINIUM
MP T3 25 01 08 TERRORISM RISK INS ACT OF 2002 NOTICE
MP T3 50 11 06 EQUIP BREAKDOWN SERV INTERRUPTION LIM
MP T1 82 02 05 CAUSES OF LOSS - EARTHQUAKE
MP T3 23 08 06 FUNGUS,WET ROT,DRY ROT CAUSE OF LOSS CHG
MP T9 70 03 06 POWER PAC ENDORSEMENT
CP 01 27 03 96 UTAH CHANGES

COMMERCIAL GENERAL LIABILITY

CG T0 34 11 03 TABLE OF CONTENTS
CG T0 59 10 91 TABLE OF CONTENTS DIR & OFFICERS
CG 00 01 10 01 COMMERCIAL GENERAL LIABILITY COV FORM
CG D2 37 11 03 EXCLUSION-REAL ESTATE DEV ACTIVITIES
CG D2 55 11 03 AMENDMENT OF COVERAGE - POLLUTION
CG D3 09 11 03 AMEND ENDT-PRODUCTS-COMPLETED OPR HAZARD
CG 21 70 01 08 CAP ON LOSSES-CERTIFIED ACTS-TERRORISM
CG D0 28 10 91 DIR & OFFICERS LIAB END COMMUNITY ASSOC
CG D0 37 04 05 OTHER INSURANCE-ADDITIONAL INSUREDS
CG D2 03 12 97 AMEND-NON CUMULATION OF EACH OCC
CG D2 34 01 05 WEB XTEND - LIABILITY
MP T1 25 11 03 HIRED AUTO AND NON-OWNED AUTO LIAB
CG D2 43 01 02 FUNGI OR BACTERIA EXCLUSION
CG D2 56 11 03 AMENDMENT OF COVERAGE
CG D2 88 11 03 EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG D3 26 01 04 EXCLUSION-UNSOLICITED COMMUNICATIONS
CG D3 56 01 05 MOBILE EQUIP/EXCL VEHICLES SUB TO MV LAW
CG D0 76 06 93 EXCLUSION-LEAD
CG D1 42 01 99 EXCLUSION-DISCRIMINATION
CG D2 42 01 02 EXCLUSION WAR
CG T4 78 02 90 EXCLUSION-ASBESTOS
CG T3 33 11 03 LIMIT WHEN TWO OR MORE POLICIES APPLY
CG 01 86 12 04 UTAH CHANGES

POLICY NUMBER: I-680-2980M602-ACJ-08

EFFECTIVE DATE: 05-13-08

ISSUE DATE: 05-23-08

INTERLINE ENDORSEMENTS

IL T3 82 08 06	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
IL T3 79 01 08	CAPS ON LOSSES FROM CERT ACTS OF TERROR
IL 00 21 07 02	NUCLEAR ENERGY LIAB EXCL END-BROAD FORM
IL 02 66 09 07	UT CHANGES-CANCELLATION & NONRENEWAL

ADDITIONAL LOCATIONS
CONDOMINIUM PACPOLICY NO.: I-680-2980M602-ACJ-08
ISSUE DATE: 05-23-08**THIS SCHEDULE OF LOCATIONS AND BUILDINGS APPLIES
TO THE COMMON DECLARATIONS FOR THE PERIOD**

05-13-08 to 05-13-09

PREMISES LOCATION NUMBER	BUILDING NUMBER	OCCUPANCY	ADDRESS	
01	01	CONDO 1-4	4539 SOUTH 1800 WEST ROY	UT 84067
01	02	CONDO 1-4	4539 SOUTH 1800 WEST ROY	UT 84067
01	03	CONDO 5-12	4539 SOUTH 1800 WEST ROY	UT 84067
01	04	CONDO 5-12	4539 SOUTH 1800 WEST ROY	UT 84067
01	05	CONDO 5-12	4539 SOUTH 1800 WEST ROY	UT 84067
01	06	CONDO 5-12	4539 SOUTH 1800 WEST ROY	UT 84067

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAUSES OF LOSS – EARTHQUAKE

This endorsement modifies insurance provided under the following:
BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

A. SCHEDULE

Policy Occurrence Limit \$ 7,500,000 Annual Aggregate Limit \$ 7,500,000

Prem. Loc. No.	Bldg. No.	Deductible %	Prem. Loc. No.	Bldg. No.	Deductible %	Prem. Loc. No.	Bldg. No.	Deductible %
01	01	5%	01	02	5%	01	03	5%
01	04	5%	01	05	5%	01	06	5%

B. COVERED CAUSES OF LOSS

The following modifies:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

Covered Causes of Loss and "specified cause of loss" are revised to include the following as Covered Causes of Loss only for Covered Property at the Premises Location/Building number(s) shown in the Schedule above:

1. Earthquake, meaning a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.
2. Volcanic eruption, meaning the eruption, explosion or effusion of a volcano.

All earthquake shocks or volcanic eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period. We will not pay for loss or damage caused by or resulting from earthquakes or volcanic eruptions which began before the effective date of this policy.

C. ADDITIONAL EXCLUSIONS AND LIMITATIONS

1. The following EXCLUSIONS are added as respects coverage provided by this endorsement:

We will not pay under this endorsement for loss or damage caused directly or indirectly by the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- a. Fire;
 - b. Explosion; or
 - c. Flood, waves, tides, tidal waves, mudslide or mudflow, release of water impounded by a dam or water or sewage that backs up or overflows from a sewer, drain or sump, even if caused by an Earthquake or Volcanic Eruption.
2. We will not pay for the cost of restoring or remediating land or for loss resulting from the time required to restore or remediate land.
 3. The following LIMITATION is added as respects coverage provided by this endorsement:

We will not pay for loss or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Deductible applicable to this endorsement.

This limitation does not apply if less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).

BUSINESSOWNERS

D. PROVISIONS THAT DO NOT APPLY TO THIS ENDORSEMENT

1. The following provisions of the forms and endorsements that may be part of this policy do not apply to this endorsement:
 - a. The Additional Condition – Coinsurance;
 - b. Deductible; or
 - c. Limits of Insurance.
2. The Earth Movement Exclusion does not apply to the insurance specifically provided for under this endorsement.

All other Exclusions and Limitations in this Coverage Form continue to apply.

E. DEDUCTIBLES

The following deductible provisions apply to the Premises Location/Building number(s) shown in the Schedule above and only to any otherwise covered Building and Business Personal Property:

1. The percentage (%) shown in the Schedule above applies as follows:
 - a. In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 2%, 5%, or 10% as shown in the Schedule of the value(s) of the property that has sustained loss or damage at each of the buildings shown in the Schedule. The values to be used are those shown in the most recent Statement of Values on file with us. If there is no Statement of Values on file with us or the covered property is a building in the course of construction or Newly Acquired or Constructed Property, we will use the value(s) of the property at the time of loss that has sustained loss or damage.

This deductible is calculated separately for, and applies separately to:

- (1) Each building, if two or more buildings sustain loss or damage;
- (2) The building and to personal property in that building, if both sustain loss or damage;
- (3) Personal property at each building, if personal property at two or more buildings sustain loss or damage;

- (4) Personal property in the open; and
- (5) Any other property insured under this Coverage Part.

- b. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable deductible. We will then pay the amount of loss or damage in excess of that Deductible up to the Occurrence Limit.

F. LIMITS OF INSURANCE

The most we will pay for loss caused by any earthquake or volcanic eruption is:

1. The Policy Occurrence Limit shown in the Schedule above that applies to any one occurrence, even if the loss involves more than one coverage. Amounts payable under any Additional Coverage or Coverage Extensions do not increase the Policy Occurrence Limit. This limit is part of, and does not increase, the Limits of Insurance that apply under this Coverage Form.
2. The Annual Aggregate Limit shown in the Schedule above, regardless of the number of occurrences or premises, for all loss occurring in any one policy year commencing with the inception or anniversary date of this endorsement, whichever is less.
3. If a Cause of Loss (such as fire) is covered by means of an exception to the Earth Movement Exclusion, we will also pay for the loss or damage caused by that other Covered Cause of Loss. But the most we will pay, for the total of all loss or damage caused by Earthquake, Volcanic Eruption and other Covered Cause of Loss, is the Limit of Insurance applicable to such other Covered Cause of Loss. We will not pay the sum of the two limits.

G. ADDITIONAL COVERAGES

The most we will pay for loss or damage under Newly Acquired or Constructed Property or Business Income and Extra Expense Newly Acquired Premises Additional Coverages under this endorsement is a total of \$100,000 in any one occurrence and in any one policy year.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGUS, WET ROT, DRY ROT AND OTHER CAUSES OF LOSS CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE PART

A. SCHEDULE

Limited "Fungus", Wet Rot or Dry Rot Coverage:

Direct Damage Limit of Insurance

\$15,000 **OR** \$25,000 \$50,000 \$100,000 \$250,000

B. The EXCLUSIONS contained in Section **B.** of the BUSINESSOWNERS PROPERTY COVERAGE FORM are amended as follows:

1. The following exclusion is added to **B.1.:**

"Fungus", Wet Rot or Dry Rot

- a. We will not pay for loss or damage, or any increase in the amount of loss or damage, caused directly or indirectly by or resulting from the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot.

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

This exclusion does not apply:

- (1) When "fungus", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited "Fungus", Wet Rot or Dry Rot in Section **C.1.** below of this endorsement with respect to loss or damage by a cause of loss other than fire or lightning.

2. The exclusions contained in **B.2.** are amended as follows:

- a. Under exclusion **B.2.d.(2)**, reference to fungus, wet rot or dry rot, mold is deleted.
- b. Exclusion **B.2.f.** is deleted and replaced by the following:

We will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity,

moisture or vapor that occurs over a period of 14 days or more.

C. The Additional Coverages contained in Section **A.6.** of the BUSINESSOWNERS PROPERTY COVERAGE FORM are amended as follows:

1. The following Additional Coverage is added:

Additional Coverage – Limited "Fungus", Wet Rot or Dry Rot

- a. The coverage described in **b.** and **c.** below only applies when the "fungus", wet rot or dry rot is the result of a "specified cause of loss", other than fire or lightning, that occurs during the policy period and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after that occurrence.

b. Limited "Fungus", Wet Rot or Dry Rot – Direct Damage

(1) We will pay for direct physical loss or damage to Covered Property caused by "fungus", wet rot or dry rot, including:

- (a) The cost of removal of the "fungus", wet rot or dry rot;
- (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet rot or dry rot; and
- (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that

BUSINESSOWNERS

"fungus", wet rot or dry rot are present.

- (2) The coverage described in **b.(1)** above is limited to \$15,000, or the limit of insurance shown in the Schedule of this endorsement for Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage under this coverage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet rot or dry rot, we will not pay more than a total of this annual limit even if the "fungus", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.
 - (3) The coverage provided under this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet rot or dry rot, and other loss or damage, we will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the Covered Property.
 - (4) If there is covered loss or damage to Covered Property that is not caused by "fungus", wet rot or dry rot, loss payment will not be limited by the terms of this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage, except to the extent that "fungus", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage.
- c.** Limited "Fungus", Wet Rot or Dry Rot Coverage – Business Income and Extra Expense
- The following Limited "Fungus", Wet Rot or Dry Rot Coverage provisions for Business Income and Extra Expense apply only if Business Income and/or Extra Ex-

pense coverage applies to the described premises and only if the suspension of "operations" satisfies all of the terms of the applicable Business Income and/or Extra Expense coverage:

- (1) If the loss which results in the "fungus", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension of "operations" is necessary due to loss or damage to property at the described premises caused by "fungus", wet rot or dry rot, then our payment for Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (2) If a covered suspension of "operations" is caused by loss or damage at the described premises by other than "fungus", wet rot or dry rot, but remediation of "fungus", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay, regardless of when such a delay occurs during the "period of restoration", but such coverage is limited to 30 days. The days need not be consecutive.

The coverage provided under this Limited "Fungus", Wet Rot or Dry Rot Coverage – Business Income and Extra Expense is included in, and not in addition to any limit or description of coverage for Business Income shown on the Businessowners Coverage Part Declarations or under the Extra Expense Additional Coverage.

- d.** The terms of this Limited Coverage do not increase or reduce the coverage under the Water Damage, Other Liquids, Powder or Molten Damage Additional Coverage Extension or the coverage provided for collapse of buildings or structures under the Collapse of Buildings exclusion.
- D.** The DEFINITIONS contained in Section **G.** are amended as follows:
1. The definition of "Specified Causes of Loss" is deleted and replaced by the following:
"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil

commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse as defined below; volcanic action; falling objects as limited below; weight of snow, ice or sleet; and water damage as defined below; all only as otherwise insured against in this Coverage Form.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The "interior of a building or structure", or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

When the Causes of Loss – Earthquake endorsement, Causes of Loss – Earthquake Sprinkler Leakage endorsement or Causes of Loss – Broad Form Flood endorsement is included in this policy, "specified causes of loss" also includes such cause of loss, but

only to the extent such cause of loss is insured against under this Coverage Form.

- 2. The following definition is added:

"Fungus" means any type or form of fungus, including but not limited to mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

E. Ordinance or Law Coverage Change

Under:

- 1. The ordinance or law coverage in Section A.6.i. Increased Cost of Construction of the Businessowners Property Coverage Form;
- 2. Ordinance or Law Coverage endorsement MP T1 35; and
- 3. Any other Ordinance or Law coverage or Ordinance or Law – Increased "Period of Restoration" coverage provided under this Coverage Part;

the following exclusion is added:

This coverage does not apply to:

- a. Loss caused by or resulting from the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or
- b. Costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus", wet rot or dry rot.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT COMMUNITY ASSOCIATIONS

THIS ENDORSEMENT PROVIDES CLAIMS MADE COVERAGE. DEFENSE COSTS ARE INCLUDED WITHIN THE LIMITS OF INSURANCE. PLEASE READ THE ENTIRE FORM CAREFULLY.

DECLARATIONS:

- 1. Named Insured:
HEREFORDSHIRE CONDOMINIUM
- 2. Address: **P.O. BOX 1523**

OGDEN UT 84402-1523
- 3. Coverage Period: **05-13-08 to 05-13-09**
- 4. Limit of Insurance: \$ **1,000,000** Each Claim
\$ **1,000,000** Aggregate
- 5. Premium: \$ **INCLUDED**
- 6. Special Provisions, if any:

Throughout this endorsement the words "you" and "your" refer to the Named Insured shown in Item 1 of the Declarations above, and any other person or organization qualifying as a Named Insured under this endorsement. 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 SECTION II – WHO IS AN INSURED.

PROVISIONS

**i. Insuring Agreement – Directors and Officers
Condominium and Community Associations
Liability**

A. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of any "wrongful act" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "wrongful act" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay is limited as described in LIMITS OF INSURANCE (Section III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance by any payment, including but

not limited to any payment toward judgment, settlement or "defense expense."

B. This insurance applies to "wrongful acts" committed at any time prior to the end of the coverage period, but only if:

- (1) The "wrongful act" took place in the "coverage territory"; and
- (2) A claim for compensatory damages because of the "wrongful act" is first made against any insured, in accordance with paragraph C. below, during the coverage period or any Extended Reporting Period we provide under CONDITIONS – Extended Reporting Period (Section IV).

C. A claim by a person or organization seeking compensatory damages will be deemed to have been made at the earlier of the following times:

COMMERCIAL GENERAL LIABILITY

(1) When notice of such claim is received by any insured or by us, whichever comes first; or

(2) When we make settlement in accordance with paragraph A. above.

All claims arising out of the same or related "wrongful acts" will be deemed to have been made at the time the first of these claims is made against any insured.

D. Exclusions

The insurance provided by this endorsement does not apply to:

(1) "Bodily injury," "property damage," "personal injury," or "advertising injury."

(2) Punitive or exemplary damages.

(3) Damages resulting from:

- a. "Wrongful acts" which result in any insured gaining personal profit, remuneration or advantage to which such insured is not legally entitled.
- b. Any dishonest, fraudulent, criminal or malicious act, error or omission committed by or with the knowledge or consent of any insured.
- c. The failure of any person to effect or maintain acceptable amounts, forms, conditions or provisions of any insurance or bonds.
- d. Any violation of the Employee Retirement Income Security Act of 1974, the Pension Reform Act of 1974, or similar provisions of any Federal, state or local statutory or common law.
- e. Operations (including but not limited to construction, design, survey and engineering services) performed by or on behalf of the builder, sponsor or developer of the property designated in the Declarations.
- f. The failure of any insured to enforce the rights of the Named Insured against the builder, sponsor or developer of the property designated in the Declarations.
- g. Discrimination.
- h. The "wrongful act" of any developer/sponsor who is an officer or

member of the condominium, or other community association, board of directors.

i. Any claim or "suit" made by any insured against another insured.

j. Employment-related practices, policies, acts or omissions.

(4) Damages resulting from:

a. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" or asbestos.

b. Any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants" or asbestos.

c. Any claim or "suit" by or on behalf of a 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 "pollutants" or asbestos.

"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.

(5) Damages resulting from:

a. Any claim made or "suit" brought prior to or pending as of the inception date of the coverage period, as shown in the Declarations. However, if this insurance is a renewal of the same or similar coverage provided by us, this exclusion applies to claims made or "suits" brought prior to or pending as of the date such coverage was first provided by us.

b. Any subsequent claims made or "suits" brought which arise from or are based upon substantially the same matters as alleged in the pleadings of such prior or pending claims or "suits."

- c. Any act of any insured which gave rise to such prior or pending claim or "suit."
- d. Any claim or "suit" which may be reasonably anticipated as of the inception date of the coverage period, as shown in the Declarations.

II. WHO IS AN INSURED

- A. If you are named in Item 1 of the Declarations above, you are an insured.
- B. Your directors, trustees or officers are also insureds, but only while acting within the scope of their duties for you. This includes:
 - 1. Those who currently are directors, trustees or officers;
 - 2. Those who were directors, trustees or officers when the "wrongful act" took place;
 - 3. Those who become directors, trustees or officers after the effective date of this insurance, but only for subsequent "wrongful acts."
- C. Your employees and members are insureds, but only while acting at your direction and within the scope of their duties for you.

III. LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - 1. Insureds;
 - 2. Claims made or "suits" brought;
 - 3. Persons or organizations making claims or bringing "suits."
- B. The Limit of Insurance shown in the Declarations above as "Aggregate" is the most we will pay for all damages and "defense expense" for all claims made during the Coverage Period shown in the Declarations.
- C. Subject to B. above, the Limit of Insurance shown as "Each Claim" is the most we will pay for damages and "defense expense" arising out of any one claim. For the purposes of determining the Limit of Insurance, all claims arising out of the same or related "wrongful acts" will be considered as one claim.

IV. CONDITIONS

A. Extended Reporting Period.

- 1. If this insurance is canceled or non-renewed for any reason other than non-payment of premium, we will provide an Extended Reporting Period of one year. This Extended Reporting Period does not extend the coverage period or change the scope of coverage provided. It applies only to claims for "wrongful acts" committed before the end of the coverage period.
- 2. The 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.
- 3. The Extended Reporting Period does not reinstate or increase the Limits of Insurance.

B. Bankruptcy.

Bankruptcy or insolvency on the part of the insured will not relieve us of our obligations under this insurance.

C. Insured's Duties In The Event Of A Wrongful Act, Claim Or Suit.

- 1. In the event of a "wrongful act", you must see to it that we are notified as soon as is practicable. To the extent possible, notice should include:
 - a. How, when and where the "wrongful act" took place;
 - b. The nature of the "wrongful act"; and
 - c. The names and addresses of injured parties and witnesses.

Notice of such a "wrongful act" does not constitute notice of a claim.
- 2. If a claim is received by any insured, you must immediately record the specifics of the claim and the date received, and notify us immediately. Written notice should be provided as soon as is practicable.
- 3. You and any other involved insured must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or a "suit";

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- b. Authorize us to obtain records and other information;
 - c. Cooperate with us in the investigation of any "wrongful act," or the investigation, settlement or defense of the claim or "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to any insured because of damages to which this insurance applies.
4. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

D. Legal Action Against Us.

No person or organization has a right under this insurance:

- 1. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- 2. To sue us on this insurance 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 insurance 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.

E. Other Insurance.

This insurance is excess over any other valid and collectible insurance available to any insured, whether primary, excess, contingent, or on any other basis, unless such other insurance was purchased specifically to be excess over the limits of insurance this insurance provides.

F. Changes.

This endorsement contains all of the agreements between you and us concerning the insurance afforded under this endorsement. The first Named Insured shown in the Declarations is authorized to make changes in the

terms of this insurance with our consent. This endorsement's terms can be amended or waived only by endorsement issued specifically to amend this insurance.

G. Transfer Of Rights Of Recovery Against Others To Us.

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

H. Conformity To Statute.

The terms of this insurance which are in conflict with the statutes of the state wherein this insurance is delivered are hereby amended to conform to such statutes.

I. Representations.

By accepting this insurance you agree:

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

V. DEFINITIONS

- A. "Advertising injury" means injury arising out of one or more of the following offenses:
 - 1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - 2. Oral or written publication of material that violates a person's right of privacy;
 - 3. Misappropriation of advertising ideas or style of doing business; or
 - 4. Infringement of copyright, title or slogan.
- B. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- C. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
- D. "Defense expense" means fees charged by (an) attorney(s) designated or approved in writing by us and all other fees, costs, and expenses resulting from the investigation, ad-

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justment, defense and appeal of a claim, "suit" or proceeding arising in connection therewith, if incurred by us or by an insured with our written consent.

E. "Personal injury means injury, other than "bodily injury," arising out of one or more of the following offenses:

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

F. "Property damage" means:

1. Physical injury to tangible property, including all resulting loss of use of that property;
2. Loss of use of tangible property that is not physically injured; or
3. Diminution of property value.

G. "Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

H. "Wrongful act" means any actual or alleged error, mistake, misstatement or misleading statement, act, omission or neglect or breach of duty by any insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NONOWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

COVERAGE	ADDITIONAL PREMIUM
Hired Auto Liability	\$ INCLUDED
Nonowned Auto Liability	\$ INCLUDED

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

PROVISIONS

A. COVERAGE

If a premium charge is shown in the SCHEDULE above, the insurance provided under **Section I – Coverage A – Bodily Injury And Property Damage Liability** applies to "bodily injury" and "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto". Maintenance or use of a "nonowned auto" includes test driving in connection with an "auto business".

B. EXCLUSIONS

With respect to the insurance provided by this endorsement:

1. The exclusions, under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, other than exclusions a., b., d., e., f. and i. and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:
 - a. "Bodily injury" to:
 - (1) Any fellow "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business.
 - b. "Property damage" to:
 - (1) Property owned or being transported by, or rented or loaned to the insured; or
 - (2) Property in the care, custody or control of the insured.

C. WHO IS AN INSURED

Section II – Who Is An Insured is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You;
2. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "nonowned auto" except:
 - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
 - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
 - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
 - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
 - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

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- f. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
 - g. Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a "nonowned auto"; or
3. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under 1. or 2. above.

D. AMENDED DEFINITIONS

The Definition of "insured contract" of **Section V – Definitions** is amended by the addition of the following exceptions to paragraph f.:

Paragraph f. does not include that part of any contract or agreement:

- (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

E. ADDITIONAL DEFINITIONS

Section V – Definitions is amended by the addition of the following definitions:

- 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
 - a. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
 - b. Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- 3. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".