



Regulatory Office:
 440 Lincoln Street
 Worcester, Massachusetts 01653

(A Stock Insurance Company, herein called the Insurer)

COMPANY PROVIDING COVERAGE:
The Hanover Insurance Company

**PREFERRED COMMUNITY ASSOCIATION
 PROTECTOR INSURANCE
 CERTIFICATE OF INSURANCE DECLARATIONS**

THIS IS A CLAIMS MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY ONLY APPLIES TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR, IF APPLICABLE, THE OPTIONAL EXTENSION PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY THE PAYMENT OF DEFENSE EXPENSES. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

RISK PURCHASING GROUP NOTICE

This Preferred Property Program Risk Purchasing Group Policy is not protected by an insurance insolvency guaranty fund in this state, and the insurer or Risk Purchasing Group may not be subject to all the insurance laws and rules of this state.

Disclosure Pursuant to Federal Law Regarding Purchasing Groups [15 U.S.C. SEC. 3901, et seq] Preferred Property Program Risk Purchasing Group Association is a "Purchasing Group", as defined under Federal law, formed to purchase liability insurance on a group basis for its Members to cover the similar or related liability exposure(s) to which the Members of the Purchasing Group are exposed by virtue of their related, similar, or common businesses or services. Members do not share limits and each member is provided with its own certificate of insurance.

Certificate Number: PDO4000138

This Certificate Forms a Part of Master Policy Number: LHJ-M251463

Renewal of Certificate Number: N/A

Renewal of Master Policy Number: N/A

Item 1. Named Entity: Sea Grape Condominium Association, Inc.

Mailing Address: 361 East Hillsboro Blvd, Deerfield Beach, FL 33441

Physical Address: 5160 Las Verdes Circle, Delray Beach, FL 33483

Item 2. Policy Period:

Inception Date: 01/16/2026

Expiration Date: 01/16/2027

At 12:01 AM Standard Time at the Mailing Address shown in Item 1. above

Item 3. Limit of Liability:

A. \$ 1,000,000

Maximum Aggregate Limit of Liability (including **Defense Expenses**) each **Policy Period** for all **Claims** under this Policy

B. \$ 1,000,000

Maximum Aggregate **Defense Expense Limit of Liability** each **Policy Period** for all **Claims** under this Policy

- C. \$ 100,000 Maximum Sublimit of Liability each Policy Period for **Defense Expenses** for all **Wage and Hour Claims**
- D. \$ 100,000 Maximum Sublimit of Liability each **Policy Period** for **Defense Expenses** for all **Employee Privacy Violations**
- E. \$ 100,000 Maximum Sublimit of Liability each **Policy Period** for **Defense Expenses** for all **Immigration Violations**

Item 4. Retentions:

- A. \$ 5,000 Each **Insured Person** each **Claim** under Insuring Agreement I.A.
- B. \$ 5,000 Each **Claim** under Insuring Agreement I.B.

Item 5. Optional Extended Reporting Period:

Premium for One Year Optional Extended Reporting Period: \$ 3,015.82

Item 6. Pending and Prior Proceeding Date: 01/16/2021

Item 7. Claim Notices required to be given to the Insurer must be addressed to:

www.hanover.com/report-claim-online

The Hanover Insurance Company
P.O. Box 15145
Worcester, MA 01615

National Claims Telephone Number: 800-628-0250 (ext. 8556281)

Facsimile: 508-635-1868

E-mail address: firstreport@hanover.com

Item 8. Premium, Taxes, Surcharges and Fees (as applicable):

Total Certificate of Insurance Premium: \$2,682.00

Taxes, Surcharges or Fees: \$26.82

Item 9. Policy Form and Endorsements Attached at Issuance

See PCA-300 01 26 Forms Schedule

Item 10. Master Policy Broker:

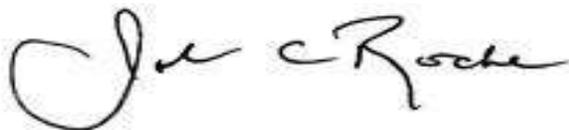
Millennial Specialty Insurance LLC – 5009655
P.O. Box 210788
Bedford, TX 76095

Retail Agent:

USI Ins. Services - Boca Raton
201 Alhambra Circle, Suite 1205
Boca Raton, FL, 33431

THESE CERTIFICATE OF INSURANCE AND THE INSURANCE POLICY WITH THE ENDORSEMENTS, ATTACHMENTS, AND THE APPLICATION SHALL CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE INSURER AND THE NAMED ENTITY RELATING TO THIS INSURANCE.

We have caused this Policy to be signed by our President and Secretary and countersigned where required by a duly authorized agent of the Company.



John C. Roche, President



Charles Frederick Cronin, Secretary

ENDORSEMENT # 1

This endorsement, effective 12:01 a.m., 01/16/2026 forms a part of Policy No. PDO4000138 issued to Sea Grape Condominium Association, Inc.

by **The Hanover Insurance Company**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FORMS SCHEDULE

This endorsement modifies insurance provided under the following:

PREFERRED COMMUNITY ASSOCIATION PROTECTOR INSURANCE POLICY

It is agreed that:

The following is added to **Item 9**. of the Declarations:

<u>Form Number:</u>	<u>Edition Date:</u>	<u>Title:</u>
PCA-001 01 26	01 26	Preferred Community Association Protector Insurance Certificate of Insurance Declarations
PCA-001FL 01 26	01 26	Preferred Community Association Protector Insurance Certificate of Insurance Declarations Florida
PCA-300 01 26	01 26	Forms Schedule
PCA-050 01 26	01 26	Preferred Community Association Protector Insurance Policy
PCA-050 TOC 01 26	01 26	PCA Policy Table of Contents
PCA-100FL 01 26	01 26	Florida Amendatory Endorsement
PCA-418 01 26	01 26	Purchasing Group Conversion
PCA-617 01 26	01 26	Maintenance of Property Exclusion
PCA-900 01 26	01 26	Exclusion Of Certified Acts Of Terrorism
PCA-901 01 26	01 26	Cap on Losses from Certified Acts of Terrorism
999-00001 PHN 01 24	01 24	OFAC Notice

<u>Form Number:</u>	<u>Edition Date:</u>	<u>Title:</u>
999-00003FL PHN 06 24	06 24	Florida Inquiry Notice



PREFERRED COMMUNITY ASSOCIATION PROTECTOR INSURANCE POLICY

Underwritten by The Hanover Insurance Company

THIS IS A CLAIMS MADE POLICY WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Insurer identified in the Declarations (hereinafter the "Insurer") including the Application, and subject to all of the terms, conditions and limitations of all of the provisions of this Policy, the Insurer and the Insureds agree as follows:

I. INSURING AGREEMENTS

- A. The Insurer shall pay on behalf of the **Insured Persons Loss** resulting from a **Claim** first made against the **Insured Persons** during the **Policy Period** or, if applicable, the Optional Extended Reporting Period, for a **Wrongful Act**, except for **Loss** which the **Insured Organization** is permitted or required to pay on behalf of the **Insured Persons** as indemnification.
- B. The Insurer shall pay on behalf of the **Insured Organization Loss**:
 - 1. which the **Insured Organization** is required or permitted to pay as indemnification to any of the **Insured Persons** resulting from a **Claim** first made against the **Insured Persons**; or
 - 2. resulting from a **Claim** first made against the **Insured Organization**;during the **Policy Period**, or, if applicable, the Optional Extended Reporting Period, for a **Wrongful Act**.

II. DEFINITIONS

Application means:

- A. the application attached to and forming part of this Policy; and
- B. any materials submitted therewith, and any statements made in connection with that application, which shall be retained on file by the Insurer and shall be deemed to be physically attached to this Policy.

Breach Notice Law means any state, federal or foreign statute or regulation that requires notice to persons, whose **Employee Information** is accessed or may reasonably have been accessed by an unauthorized person.

Change In Control means:

- A. the merger or acquisition of the **Named Entity**, or of all or substantially all of its assets by another entity such that the **Named Entity** is not the surviving entity; or
- B. the acquisition by any person, entity or affiliated group of persons or entities of the right to vote, select or appoint more than fifty percent (50%) of the directors of the **Named Entity**.

Claim means:

- A. any written demand received by an **Insured**, including any request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding, or any such notice seeking monetary or non-monetary relief;
- B. any civil, criminal or administrative adjudicatory proceeding in a court of law or equity or administrative tribunal, or arbitration, mediation or similar alternative dispute resolution proceeding commenced by service of a complaint, filing of notice of charges, or similar document; or

against an **Insured** for a **Wrongful Act**, including any appeal therefrom; or

- C. any proceeding before the United States Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency, but solely with respect to an **Employment Practices Wrongful Act**.

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

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

Community Association Manager means any natural person sole proprietor or entity providing **Real Estate Property Management Services** to the **Named Entity** or any **Subsidiary** pursuant to a written contract, and only for such services performed as property manager as specifically set forth in such written contract.

Community Association Manager Employee means any natural person sole proprietor, director, officer, or employee of a **Community Association Manager**, but only in his or her capacity as property manager for the **Named Entity** or any **Subsidiary** pursuant to a written contract with the **Named Entity** or any **Subsidiary**.

Construction Defect means any actual or alleged 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:

- A. faulty or incorrect design or architectural plans;
- B. improper soil testing;
- C. inadequate or insufficient protection from subsoil, ground water, earth movement, or subsidence;
- D. the construction, manufacture, fabrication, or assembly of any tangible property;
- E. the failure to provide construction-related goods or services as represented or to pay for such goods or services; or
- F. the supervision, management, or oversight of any of the activities described in (A.) through (E.) above, including the selection or engagement of any individual or entity to perform such activities.

Cyber Security Breach means the failure, unauthorized access or violation of any **Insured's** computer security (including entry of an unauthorized application or software program, an impairment or denial of service attack) on any **Insured Organization's** computer system or on the computer system of a service provider of any **Insured Organization** by any entity or natural person.

Defense Expenses means all reasonable and necessary legal fees and expenses incurred by the Insurer; or with the consent of the Insurer, any **Insured**, in the defense, investigation or settlement of any **Claim**, including the premium for an appeal bond, attachment bond or similar bond; but will not include applying for or furnishing such bond. **Defense Expenses** will not include any **Insured Organization's** overhead expenses or any salaries, wages, fees, or benefits of its directors, officers, trustees, employees or volunteers.

Defense Expense Limit of Liability means the amount set forth in **Item 3.B.** of the Declarations.

Employee means a natural person whose labor or service is engaged by and directed by the **Named Entity** or any **Subsidiary** and:

- A. who is on the payroll of the **Named Entity** or any **Subsidiary**, including any full-time, part-time, temporary and seasonal worker; or
- B. whose services have been leased by the **Named Entity** or any **Subsidiary**.

Independent contractors and **Community Association Manager Employees** are not **Employees**. The status of an individual as an **Employee** will be determined as of the date of the alleged **Wrongful Act**.

Employee Information means an **Employee's** name in combination with one or more of the following:

- A. information concerning the individual that constitutes "Non-public Personal Information" as defined in the Gramm-Leach-Bliley Act of 1999, including amendments thereto;
- B. medical or health care information concerning the individual, including "Protected Health Information" as defined in the Health Insurance Portability and Accountability Act of 1996, including amendments, thereto; or
- C. the **Employee's** social security number, driver's license or state identification number, credit, debit or other financial account numbers and associated security codes, access codes, passwords or personal identification numbers that allows access to the **Employee's** financial account information.

Employee Information Policy means the documents that set forth in any **Insured Organization's** policies, standards and procedures for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to, **Employee Information**.

Employee Privacy Violation means:

- A. any **Insured Organization's** failure to secure **Employee Information** that is in the care, custody, or control of an **Insured Organization**, or an independent contractor that is holding or processing such information on behalf of an **Insured Organization**;
- B. any **Insured Organization's** failure to timely disclose an incident or event triggering a violation of a **Breach Notice Law**; or
- C. failure by any **Insured** to comply with that part of an **Employee Information Policy** that specifically:
 - 1. prohibits or restricts the **Insured Organization's** disclosure, sharing or selling of **Employee Information**; or
 - 2. requires any **Insured Organization** to provide access to **Employee Information** or to correct incomplete or inaccurate **Employee Information** after a request is made by an **Employee**; or
 - 3. mandates procedures and requirements to prevent the loss of **Employee Information**.

Employment Practices Wrongful Act means any of the following actually or allegedly occurring in connection with any **Employee** or applicant's employment or application for employment with the **Named Entity** or any **Subsidiary**:

- A. violation of any employment discrimination law;
- B. retaliation against employees for the exercise of any legally protected right or for engaging in any legally protected right or for engaging in any legally protected activity;
- C. sexual harassment or other unlawful harassment in the workplace;
- D. wrongful termination;
- E. breach of an employment agreement;
- F. violation of the Family Medical Leave Act;
- G. employment-related misrepresentation;
- H. employment-related defamation, including libel or slander, or invasion of privacy;
- I. failure or refusal to create or enforce adequate workplace or employment policies and procedures, employ or promote, including wrongful failure to grant perquisites, or tenure;
- J. wrongful discipline, wrongful demotion, denial of training, deprivation of career opportunity, denial or deprivation of seniority, or evaluation;
- K. employment-related wrongful infliction of emotional distress;
- L. negligent hiring, supervision of others, training, or retention;
- M. violation of responsibilities, duties or obligations imposed on an **Insured** under any **Wage and Hour Law**;
- N. **Employee Privacy Violation**; or
- O. **Immigration Violation**.

Executive Officer means, with respect to the **Insured Organization**, any member of the board of directors, board of trustees, board of managers, board of regents, board of governors, or of a similar governing body of the **Insured Organization**, officer, trustee, chairperson, general counsel or director of human resources or equivalent position.

Financial Insolvency means with respect to the **Named Entity** or any **Subsidiary**, the appointment of a receiver, conservator, liquidator, trustee, or rehabilitator, or any comparable authority; or the inability of the **Named Entity** or any **Subsidiary** financially or under state or federal law to indemnify the **Insured Persons**.

Fungi means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of such substances.

Immigration Violation means any actual or alleged violation of the responsibilities, obligations, or duties imposed by the Immigration Control Act of 1986 or any other similar federal or state laws or regulations in connection with the actual or alleged hiring or harboring of illegal aliens.

Insured means any **Insured Persons** or **Insured Organization**.

Insured Organization means the **Named Entity**, the **Community Association Manager** and any **Subsidiary** created or acquired on or before the Inception Date set forth in **Item 2.** of the Declarations or during the **Policy Period** and shall include the **Named Entity** and any covered **Subsidiary** as a debtor in possession, as such term is used in Chapter 11 of the United States Bankruptcy Code.

Insured Person means any natural person who was, is or becomes:

- A. any **Executive Officer**;
- B. an **Employee**;
- C. a **Community Association Manager Employee**;
- D. any member of a duly constituted committee of the governing board of the **Named Entity** or any **Subsidiary**;
- E. any individual identified above who, at the specific written request of the **Insured Organization**, is serving as a director, officer, trustee, regent, governor, board member, or in an equivalent position, of a **Non-Profit Entity**; or
- F. any **Volunteer Worker** for the **Named Entity** or any **Subsidiary**,

but solely in his or her capacity as such on behalf of any **Insured Organization**.

In the event of the death, incapacity or bankruptcy of any **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**.

The coverage otherwise available under this Policy to any **Insured Person** will be extended to such **Insured Person's** lawful spouse or domestic partner, but only to the extent such spouse or domestic partner is a party to any **Claim** solely in his or her capacity as a spouse or domestic partner of such persons and only for the purposes of any **Claim** seeking damages recoverable from marital community property, property jointly held by any such person and spouse or domestic partner, or property transferred from any such person to the spouse or domestic partner.

Interrelated Wrongful Acts means any **Wrongful Acts** based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any of the same or related or series of related facts, circumstances, situations, transactions or events.

Microbe means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease including but not limited to any spores, mycotoxins, odors or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of microbes.

Loss means:

- A. Monetary judgments, settlements or other amounts, including pre- and post-judgement interest; or
- B. Punitive or exemplary damages where insurable by law;

in excess of the Retention that the **Insured** is legally obligated to pay, including **Defense Expenses**, whether incurred by the Insurer or incurred by the **Insured** with the Insurer's consent.

Loss will not include:

1. matters which are uninsurable under the law pursuant to which this Policy is construed;
2. criminal or civil fines, penalties or taxes imposed by law; provided that this clause 2. will not apply to such fines, penalties, or taxes that an **Insured Person** is obligated to pay if such fines, penalties, or taxes are insurable by law and are imposed in connection with such **Insured Person's** service with respect to an entity included within the definition of **Named Entity** or any **Subsidiary** due to such entity's **Financial Insolvency**;
3. any amount not indemnified by any **Insured Organization** for which an **Insured Person** is absolved from payment by reason of any covenant, agreement, or court order;
4. severance, salary, wages, commissions, benefits, or other monetary payments which constitute a severance payment or any other financial obligation payable upon termination of employment;
5. the cost to comply with or provide any accommodation for persons with disabilities or any other status which is protected under any applicable federal, state, or local statutory law or common law including the Americans with Disabilities Act, Civil Rights Act of 1964, or any amendments thereto

- or rules or regulations promulgated under any such law;
- 6. any future wages or benefits of any reinstated **Insured Person** or wages or benefits associated with the continued employment of an **Insured Person**;
- 7. benefits or contributions payable under an employee benefit plan;
- 8. the multiple portion of any multiplied damage award.

NOTE: With respect to judgments in which punitive damages are awarded, the law of the jurisdiction most favorable to the insurability of punitive damages shall control, provided such jurisdiction:

- a. is where such punitive damages were awarded;
- b. is where the **Insured Organization** is incorporated or otherwise organized or has a place of business, or
- c. is where the Insurer is incorporated or has its principal place of business.

Named Entity means the entity named in **Item 1.** of the Declarations.

Non-Profit Entity means any non-profit community association board of directors or joint council other than the **Named Entity**, any **Subsidiary**, or any joint council.

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

Policy Period means the period from the Inception Date to the Expiration Date set forth in **Item 2.** of the Declarations or to any earlier cancellation date.

Pollutant means any solid, liquid, including gasoline, propane, or mercury, gaseous, including carbon monoxide, ammonia, or hydrogen sulfide, or thermal irritants or contaminants, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, including perfluoroalkyl and polyfluoroalkyl substances (PFAS), nuclear radiation, lead, bacteria, virus, asbestos, and other industrial waste materials and all substances specifically listed, identified, or described by one or more of the following references: Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Priority List Hazardous Substances (1997 and all subsequent editions), Agency for Toxic Substances And Disease Registry ToxFAQs™, and/or U.S. Environmental Protection Agency EMCI Chemical References Complete Index. Substances identified as examples above or by the referenced lists include materials to be discarded, recycled, reconditioned or reclaimed.

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

Real Estate Property Management Services means the following property and community association management services provided for a fee pursuant to a written contract in connection with the management of property under the ownership, management, or control of the **Named Entity** or a **Subsidiary**:

- A. development of management plans and budget;
- B. oversight of physical maintenance of property;
- C. solicitation, evaluation, and securing of tenants and management of tenant relations, collection of rent, and processing evictions;
- D. development, implementation, and management of loss control and risk management plans for real property;
- E. solicitation and negotiation of contracts for sale and leasing of real property;
- F. development, implementation, and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property;
- G. personnel administration; or
- H. record keeping.

Subsidiary means:

- A. any entity which qualifies as a non-profit entity under Internal Revenue Code Section 501C.3. and any amendment thereto, during any time in which:
 - 1. the **Named Entity** owns, directly or through one or more Subsidiary(ies), more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of such entity's

- directors; or
 - 2. such entity is or was controlled, directly or indirectly, in any combination, by the **Named Entity** or one or more **Subsidiary(ies)**; or
- B. any for profit entity; provided that it has been added specifically by endorsement to this Policy.

Volunteer Worker means a natural person who (1) is not an **Employee** or independent contractor of the **Named Entity** or any **Subsidiary**; (2) donates his or her work and is not paid a fee, salary or other compensation by the **Named Entity** or any **Subsidiary** or anyone else for the work he or she performs for the **Named Entity** or any **Subsidiary**; and (3) acts at the direction of and within the scope of duties determined by the **Named Entity** or any **Subsidiary**.

Wage and Hour Claim means any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged violation of a **Wage and Hour Law** by any **Insured**.

Wage and Hour Law Violation means any federal, state, or local law or regulation governing or related to the payment of wages, including the payment or provision of overtime, on-call time, minimum wages, meal breaks, or rest breaks, the classification of employees for the purpose of determining employees' eligibility for compensation under such laws, or the failure to pay the reimbursement of claimed business related expenses.

Wrongful Act means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted by:

- A. any **Insured Persons** solely in their capacity as such, or any matter claimed against any **Insured Person** solely by reason of serving in such capacity; or
- B. any **Insured Organization**;

including but not limited to any **Personal Injury**, **Publisher's Liability** or **Employment Practices Wrongful Act**.

III. EXCLUSIONS

- A. **Exclusions Applicable to All Loss.** The Insurer shall not be liable to make any payment for **Loss**, and shall have no duty to defend or pay **Defense Expenses**, in connection with any **Claim** made against an **Insured**:
 - 1. brought about or contributed to in fact by any:
 - a. intentionally dishonest, fraudulent, or criminal act or omission or any willful violation of any statute, rule, or law; or
 - b. profit or remuneration gained by any **Insured** to which such **Insured** is not legally entitled; as determined by a final adjudication in the underlying action or in a separate action or proceeding;
 - 2. based upon, directly or indirectly arising out of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** which, before the Inception Date of this Policy, was the subject of any notice given under any other management liability insurance policy, directors and officers liability insurance policy, employment practices liability insurance policy, or any similar insurance policy, including any insurance policy affording coverage for **Personal Injury** or **Publisher's Liability**;
 - 3. based upon, directly or indirectly arising out of, or in any way involving any:
 - a. actual or alleged bodily injury, sickness, disease, emotional distress, mental anguish or death of any person; provided, however, that this exclusion shall not apply to allegations of emotional distress or mental anguish with respect to a **Claim** for an **Employment Practices Wrongful Act**;
 - b. damage to tangible property; loss of use, or destruction or deterioration of any tangible property; or failure to supervise, repair or maintain tangible property; provided, however, this exclusion shall not apply to **Defense Expenses** with respect to **Claims** for decisions by the board of directors or other duly constituted governing board of the **Named Entity** or any committee thereof:
 - i. to impose assessments upon residents, unit owners or members of the **Named Entity**;
 - ii. in approving or rejecting any request to make physical changes to tangible property, but in no event shall coverage apply to decisions relating to the

execution or quality of such physical changes;

4. based upon, directly or indirectly arising out of, or in any way involving any actual, alleged or threatened discharge, dispersal, release, escape, seepage, transportation, emission, treatment, removal or disposal of any **Pollutant**, or any actual or alleged direction, request or voluntary decision to test for, abate, monitor, clean up, recycle, remove, recondition, reclaim, contain, treat, detoxify or neutralize **Pollutants**; provided, however, that this exclusion will not apply to any **Claim** for an **Employment Practices Wrongful Act** specifically alleging retaliatory treatment;
5. based upon, directly or indirectly arising out of, or in any way involving any nuclear reaction, nuclear radiation, radioactive contamination, or radioactive substance, or the hazardous properties of nuclear material;
6. based upon, directly or indirectly arising out of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged in any prior and/or pending litigation or administrative or regulatory proceeding which was brought prior to the applicable Pending and Prior Proceeding Date set forth in **Item 6.** of the Declarations;
7. by or on behalf of, at the direction of, or in the name or right of the **Named Entity** or any **Subsidiary** against any **Community Association Manager** or **Community Association Manager Employee**;
8. for any **Wrongful Act** by any **Insured Person** in the discharge of their duties in their capacities as, or solely by reason of their status as, directors, officers, trustees, regents, governors or employees of any entity other than the **Named Entity** or any **Subsidiary**, even if directed or requested by the **Named Entity** or any **Subsidiary** to serve as directors, officers, trustees, regents, governors or employees of such other entity; provided, however, that this exclusion shall not apply to any **Insured Person** representing the **Named Entity** with respect to a **Non-Profit Entity**;
9. based upon, directly or indirectly arising out of, or in any way involving any **Construction Defect**;
10. 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 shall not apply to any **Claim** for an **Employment Practices Wrongful Act** specifically alleging retaliatory treatment;
11. 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 shall not apply to **Claims** for **Employment Practices Wrongful Acts**:
 - a. specifically alleging retaliatory treatment or violation of the Equal Pay Act; or
 - b. with respect to any **Wage and Hour Claim, Defense Expenses** in an amount not to exceed the sublimit set forth in **Item 3.C.** of the Declarations;
12. based upon, directly or indirectly arising out 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**;
13. based upon, directly or indirectly arising out of, or in any way involving:
 - a. any actual or alleged misfeasance, malfeasance, or any other misconduct of a builder, developer or sponsor of the **Named Entity**; or
 - b. any **Insured** in his, her, or its respective capacity as a builder, developer or sponsor of the **Named Entity** after the end of the **Policy Period** in which such builder, developer or sponsor ceases to serve on the board of directors of the **Named Entity**;
14. by or on behalf of an employee of the **Community Association Manager** for any employment-

- related **Wrongful Act**;
15. for any actual, alleged, or threatened:
 - a. inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of **Fungi or Microbes**; or
 - b. failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of, in any way respond to, assess the effects of, or advise of the existence of any **Fungi or Microbes**;
 16. based upon, directly or indirectly arising out of, or in any way involving an **Employee Privacy Violation**. Provided that this Exclusion shall not apply to **Defense Expenses** resulting from any **Claim** for an **Employment Practices Wrongful Act** alleging an **Employee Privacy Violation** in the event that a Sublimit of Liability appears in **Item 3.** of the Declarations for Employee Privacy Violation Defense Expenses Sublimit of Liability;
 17. based upon, directly or indirectly arising out of, or in any way involving an **Immigration Violation**. Provided that this Exclusion shall not apply to **Defense Expenses** resulting from any **Claim** for an **Employment Practices Wrongful Act** alleging an **Immigration Violation** in the event that a Sublimit of Liability appears in **Item 3.** of the Declarations for Immigration Violation Defense Expenses Sublimit of Liability;
 18. based upon, directly or indirectly arising out of, or in any way involving a **Cyber Security Breach**;
 19. based upon, directly or indirectly arising out of, or in any way involving the responsibilities, obligations, duties, or rules imposed by any foreign, federal, state or local statutory law or regulation, anywhere in the world including but not limited to the Illinois Biometric Information Privacy Act and the EU General Data Protection Regulation, that governs the collection, storage, destruction, disclosure, protection, use, sale, lease or trade of biometric information including but not limited to the characteristics of any fingerprint, handprint, facial geometry, retinal scan, or voiceprint.
- B. **Exclusions Applicable to Loss Other than Defense Expenses.** The Insurer shall not be liable to make any payment for **Loss**, other than **Defense Expenses**, in connection with any **Claim** made against an **Insured**:
1. 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: (a) to any **Claim** alleging an **Employment Practices Wrongful Act**; or (b) to the extent that the **Insured** would have been liable in the absence of such contract or agreement; or
 2. 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.

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** A. and B. above. Only facts pertaining to or knowledge or information possessed by any **Executive Officer** of the **Insured Organization** will be imputed to the **Insured Organization** for purposes of applying any exclusion in Section III. **EXCLUSIONS** A. and B. above.

IV. **LIMIT OF LIABILITY, RETENTIONS AND INDEMNIFICATION**

- A. The amount set forth in **Item 3.A.** of the Declarations shall be the Maximum Aggregate Limit of Liability of the Insurer under the Policy for all **Loss**, including **Defense Expenses**, from all **Claims** made or deemed made under the Policy.
- B. **Defense Expenses** incurred by the Insurer in defense of a **Claim** will first be applied to the **Defense Expense Limit of Liability** set forth in **Item 3.B.** of the Declarations. The **Defense Expense Limit of Liability** is in addition to, and not part of, the Limit of Liability set forth in **Item 3.A.** of the Declarations. If and when such **Defense Expense Limit of Liability** is exhausted by payment of **Defense Expenses**

incurred in connection with any one **Claim** or multiple **Claims**, then and in that event only, shall any remaining or continuing **Defense Expenses** be applied to the applicable limit of liability for **Loss** set forth in **Item 3.A.** of the Declarations; and such payment of **Defense Expenses** will then reduce and may exhaust the Maximum Aggregate Limit of Liability set forth in **Item 3.A.** of the Declarations.

- C. The maximum limit of liability of the Insurer for **Defense Expenses** associated with all **Wage and Hour Claims** shall not exceed the Sublimit of Liability set forth in **Item 3.C.** of the Declaration, which amount is included within, and is not in addition to, any applicable limit of liability, including the **Defense Expense Limit of Liability**.
- D. Regardless whether the **Defense Expense Limit of Liability** has been exhausted, if the amount set forth in **Item 3.A.** of the Declarations is exhausted by the payment of **Loss**, the premium for this Policy will be fully earned, all obligations of the Insurer under this Policy will be completely fulfilled and exhausted, including any duty to defend, and the Insurer will have no further obligation of any kind or nature whatsoever under this Policy.
- E. With respect to a **Claim** under this Policy, the Insurer shall only pay **Loss** which is in excess of the amount set forth in **Item 4.** of the Declarations as the Retention applicable to each **Claim** under this Policy. 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 different Retentions are applicable to different parts of any **Loss** under this Policy, the applicable Retention will be applied separately to each part of such **Loss**, and the sum of such Retentions will not exceed the largest applicable Retention set forth in **Item 4.** of the Declarations.
- F. With respect to the **Named Entity's** indemnification of its **Insured Persons**, the certificate of incorporation, charter, by-laws, articles of association, or other organizational documents of the **Named Entity** and each **Subsidiary** will be deemed to provide indemnification to the **Insured Persons** to the fullest extent permitted by law.
- G. With respect to any **Non-Profit Entity's** indemnification of any **Insured Person**, the certificate of incorporation, charter, by-laws, articles of association, or other organizational documents of such **Non-Profit Entity** will be deemed to provide indemnification to such **Insured Person** to the fullest extent permitted by law.
- H. The Retention applicable to **I. INSURING AGREEMENT B.1.** shall apply to any **Loss** as to which indemnification by the **Named Entity** is legally permissible, whether or not actual indemnification is made unless such indemnification is not made by the **Named Entity** solely by reason of its **Financial Insolvency**. In the event of **Financial Insolvency**, the Retention applicable to **I. INSURING AGREEMENT A.** shall apply.
- I. The Insurer, 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 Insurer any amounts so paid.

V. DEFENSE, SETTLEMENT AND ALLOCATION OF LOSS

- A. The Insurer has the right and duty to defend any **Claim** against any **Insured** covered under this Policy, even if such **Claim** is false, fraudulent or groundless. The Insurer shall have the right to appoint counsel and to make such investigation and defense of a **Claim** as it deems necessary.
- B. If both **Loss** covered by this Policy and **Loss** not covered by this Policy are incurred, either because a **Claim** made against an **Insured** contains both covered and uncovered matters, or because a **Claim** is made against both an **Insured** and others not insured under this Policy, the **Insureds** and the Insurer will allocate such amounts as follows:
 - 1. one hundred percent (100%) of **Defense Expenses** incurred will be allocated to covered **Loss**; and
 - 2. losses other than **Defense Expenses** will be allocated between covered **Loss** and uncovered loss on the basis of the relative legal exposures of the parties to covered and uncovered matters.
- C. In the event that an agreement cannot be reached between the Insurer and the **Insured** as to an allocation of **Loss**, as described in clause B.1. above, then the Insurer shall advance that portion of **Loss** which the **Insured** and the Insurer agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this Policy and applicable law.
- D. No **Insured** may incur any **Defense Expenses** or admit any liability for, make any settlement offer with respect to, or settle any **Claim** without the Insurer's consent, such consent not to be unreasonably withheld. The Insurer will have the right to make investigations and conduct negotiations and, with the consent of the

Insured, enter into such settlement of any **Claim** as the Insurer deems appropriate. If the **Insured** refuses to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the limit of liability applicable to such **Claim** for all **Loss** including **Defense Expenses** under this Policy shall be reduced to:

1. the amount of the proposed settlement plus **Defense Expenses** incurred up to the date of the **Insured's** refusal to consent to the proposed settlement of such **Claim**;

plus:

2. eighty percent (80%) of any **Loss**, including **Defense Expenses**, in excess of the amount referenced in paragraph D.1. above, incurred in connection with such **Claim**. The remaining twenty percent (20%) of any **Loss**, including **Defense Expenses**, in excess of the amount referenced in paragraph D.1. above will be borne uninsured and at the **Insured's** own risk; which amount shall not exceed the remainder of the applicable limit of liability specified in **Item 3.** of the Declarations.
- E. The Insurer will have no obligation to pay **Loss** or to defend or continue to defend any **Claim** after the Maximum Aggregate Limit of Liability for the Policy as set forth in **Item 3.A.** of the Declarations is exhausted by the payment of **Loss**.

VI. GENERAL CONDITIONS

A. NOTICE

1. As a condition precedent to any right to payment under this Policy with respect to any **Claim**, the **Insured** shall give written notice to the Insurer of any **Claim** as soon as practicable after it is first made, but in no event later than sixty (60) days after the expiration date of the **Policy Period**, or if exercised, during the Optional Extended Reporting Period. The **Insured** agrees to give the Insurer such information, assistance and cooperation as it may reasonably require.

However, if the Insurer sends written notice to the **Named Entity** stating that this Policy is being cancelled for nonpayment of premium, an **Insured** shall give the Insurer written notice of such **Claim** prior to the effective date of such termination.

2. If, during the **Policy Period**, the **Insured** first becomes aware of a specific **Wrongful Act**, and if, during the **Policy Period**, the **Insured**:
 - a. provides the Insurer with written notice of the specific **Wrongful Act**, the consequences which have resulted or may result therefrom (including but not limited to actual or potential damages), the identities of the potential claimants, and the circumstances by which the **Insured** first became aware of such **Wrongful Act**; and
 - b. requests coverage under this Policy for any subsequently resulting **Claim** for such **Wrongful Act**;

then any **Claim** subsequently made arising out of such **Wrongful Act** will be treated as if it had been first made during the **Policy Period**.

3. All notices under Section VI.A.1. and 2. above must be sent by:
 - a. first class U.S. mail, overnight mail or the equivalent to the address set forth in **Item 7.** of the Declarations: Attention Claim Department; or
 - b. electronic mail (email) to the address shown in **Item 7.** of the Declarations.

B. INTERRELATED CLAIMS

All **Claims** arising from the same **Interrelated Wrongful Acts** shall be deemed to constitute a single **Claim** and shall be deemed to have been made at the earliest of the time at which the earliest such **Claim** is made or deemed to have been made pursuant to **GENERAL CONDITIONS A.1.** above or **GENERAL CONDITIONS A.2.**, if applicable.

C. OTHER INSURANCE AND SERVICE IN CONNECTION WITH NON-PROFIT ENTITIES

1. All **Loss** payable under this Policy will be specifically excess of and will not contribute with any other insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is specifically excess of this Policy. This Policy will not be subject to the terms of any other insurance policy.

However, in the event that **Loss** resulting from a **Claim** is covered under both this Policy and any

other insurance policy or multiple insurance policies issued by the Insurer or an affiliate of The Hanover Insurance Group, then:

- a. the Insurer shall not be liable under this Policy for a greater proportion of the **Loss** than the applicable limit of liability of this Policy bears to the sum of the total limits of liability of all such policies; and
 - b. the maximum amount payable under all such policies combined shall not exceed the highest applicable limit of liability under any one such policy.
2. All coverage under this Policy for **Loss** from **Claims** made against the **Insured Persons** while acting in their capacity as a director, officer, trustee, regent, governor or equivalent position of a **Non-Profit Entity** will be specifically excess of and will not contribute with, any other insurance or indemnification available to such **Insured Person** from such **Non-Profit Entity** by reason of their service as such.

D. **MERGERS AND ACQUISITIONS (CHANGES IN EXPOSURE OR CONTROL)**

1. If, during the **Policy Period**, the **Named Entity** acquires any assets, acquires a **Subsidiary**, or acquires or forms any entity by merger, consolidation or otherwise, or assumes any liability of another entity (an "Acquired Entity"), coverage shall be provided for any **Loss** resulting from **Claims** first made against the Acquired Entity, including its **Insureds** after the acquisition and during the **Policy Period** or, if applicable, the Optional Extended Reporting Period, solely for **Wrongful Acts** committed or allegedly committed after such acquisition;
2. If, however, by reason of the transaction (or series of transactions) described in D.1. above, the Acquired Entity exceeds thirty five percent (35%) of the total assets of the **Named Entity** as represented in the most recent audited consolidated financial statements of the **Named Entity**, coverage, as set forth in clause D.1. above, shall be provided only for a period of ninety (90) days after such transaction (or series of transactions) or until the Policy Expiration Date, whichever is earlier, for any **Loss** resulting from **Claims** first made against the Acquired Entity, including its **Insureds** after the acquisition and during the **Policy Period** or, if applicable, the Optional Extended Reporting Period, for **Wrongful Acts** committed or allegedly committed after such acquisition. Coverage thereafter will be provided only if:
 - a. the Insurer receives written notice containing full details of the transaction(s) within ninety (90) days of the effective date of the transaction; and
 - b. the Insurer specifically agrees by written endorsement to provide coverage with respect to such Acquired Entity, and the **Insured** has accepted any additional terms, conditions and limitations of coverage, and agrees to pay any additional premium that the Insurer in its sole discretion, shall deem appropriate.
3. If, during the **Policy Period**, any entity ceases to be a **Subsidiary**, the coverage provided under this Policy shall continue to apply to such entity and to the **Insured Persons** who, because of their service with such **Subsidiary**, were covered under this Policy, but only with respect to a **Claim** for a **Wrongful Act** committed or allegedly committed prior to the time such **Subsidiary** ceased to be a **Subsidiary** of the **Named Entity**.
4. If, during the **Policy Period**, there is a **Change in Control**, the coverage provided under this Policy shall continue to apply but only with respect to a **Claim** for a **Wrongful Act** solely committed or allegedly committed, prior to the **Change in Control**; and
 - a. no coverage will be available under this Policy for any **Claim** for a **Wrongful Act** committed subsequent to the **Change in Control**; and
 - b. the entire premium for the Policy will be deemed to be fully earned immediately upon the consummation of a **Change in Control**.

E. **CANCELLATION AND RENEWAL OF COVERAGE**

1. Except for the nonpayment of premium, as set forth in clause E.2. below, the **Named Entity** has the exclusive right to cancel this Policy prior to the Policy Expiration Date set forth in **Item 2.** of the Declarations. Cancellation may be effected by mailing to the Insurer written notice when such cancellation shall be effective, provided the date of cancellation is not later than the date such notice is received by the Insurer. In such event, the Insurer shall retain the customary short rate portion of the earned premium. Return or tender of the unearned premium is not a condition of

cancellation.

2. The Insurer may only cancel this Policy for nonpayment of premium. The Insurer will deliver, or mail written notice stating when the Policy will be canceled. Notice of cancellation will be sent to the **Named Entity** and the agent of record for the **Insured**, if applicable.
3. The Insurer is under no obligation to renew this Policy upon its expiration. Once the Insurer chooses to non-renew this Policy, the Insurer will deliver or mail to the **Named Entity** written notice stating such at least thirty (30) days before the Policy Expiration Date set forth in **Item 2.** of the Declarations.

F. OPTIONAL EXTENDED REPORTING PERIOD

1. If either the **Named Entity** or the Insurer does not renew this Policy, the **Named Entity** shall have the right, upon payment of the applicable additional premium set forth in **Item 5.** of the Declarations, to an extension of the coverage provided by this Policy with respect only to any **Claim** first made during the period of time after the Policy Expiration Date, but only with respect to **Wrongful Acts** occurring prior to the Policy Expiration Date.
2. As a condition precedent to the right to purchase the Optional Extended Reporting Period the total premium for this Policy must have been paid in full. The right of the **Named Entity** to purchase the Optional Extended Reporting Period will be immediately terminated if the Insurer does not receive written notice by the **Named Entity** advising it wishes to purchase the Optional Extended Reporting Period together with full payment of the premium for the Optional Extended Reporting Period within thirty (30) days after the Policy Expiration Date.
3. If the **Named Entity** elects to purchase the Optional Extended Reporting Period as set forth in clause F.1. and clause F.2. above, the entire premium for the Optional Extended Reporting Period will be deemed to be fully earned at the Inception Date of the Optional Extended Reporting Period.
4. The purchase of the Optional Extended Reporting Period will not in any way increase the Limits of Liability set forth in **Item 3.** of the Declarations, and the Limits of Liability with respect to **Claims** made during the Optional Extended Reporting Period shall be part of and not in addition to the applicable Limits of Liability for **Claims** made during the **Policy Period**.

G. ASSISTANCE, COOPERATION AND SUBROGATION

1. The **Insureds** agree to provide the Insurer with all information, assistance and cooperation that the Insurer may reasonably request, and further agree that it will do nothing which in any way increases the Insurer's exposure under this Policy or in any way prejudices the Insurer's potential or actual rights of recovery.
2. In the event of any payment under this Policy, the Insurer shall be subrogated to all of the potential or actual rights of recovery of the **Insureds**. The **Insureds** shall execute all papers required and will do everything necessary to secure such rights including but not limited to the execution of such documents as are necessary to enable the Insurer to effectively bring suit in their name and will provide all other assistance and cooperation which the Insurer may reasonably require.

H. REPRESENTATION CLAUSE

The **Insured** represents that the statements and particulars contained in the **Application** are true, accurate and complete, and agree that this Policy is issued in reliance on the truth of that representation, and that such particulars and statements, which are deemed to be incorporated into and constitute a part of this Policy, are the basis of this Policy.

If any statement or representation in the **Application** is untrue, this 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 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 Policy, contained any

such untrue statement or representation.

I. ACTION AGAINST THE INSURER, ASSIGNMENT, AND CHANGES TO THE POLICY

1. No action may be taken against the Insurer unless, as a condition precedent thereto:
 - a. there has been full compliance with all of the terms and conditions of this Policy; and
 - b. the amount of the obligation of the **Insured** has been finally determined either by judgment against the Insured after actual trial, by summary judgment against the **Insured**, or by written agreement of the **Insured**, the claimant and the Insurer.
2. Nothing contained herein shall give any person or entity any right to join the Insurer as a party to any **Claim** against the Insurer to determine their liability, nor may the **Insured** impede the Insurer in any **Claim**.
3. Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed hereon.
4. Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Insurer will not cause a waiver or change in any part of this Policy or prevent the Insurer from asserting any right under the terms, conditions and limitations of this Policy. The terms, conditions and limitations of this Policy may only be waived or changed by written endorsement signed by the Insurer.

J. AUTHORIZATION AND NOTICES

It is understood and agreed that the **Named Entity** will act on behalf of the **Insureds** with respect to:

1. the payment of the premiums;
2. the receiving of any return premiums that may become due under this Policy;
3. the giving of all notices to the Insurer as provided herein; and
4. the receiving of all notices from the Insurer.

K. PRIORITY OF PAYMENT

In the event of **Loss**, other than **Defense Expenses**, from any **Claim** made against both an **Insured Person(s)** and the **Insured Organization**, then the following shall apply:

1. If such **Loss** exceeds the remaining available Limit of Liability set forth in **Item 3.** of the Declarations:
 - a. the Insurer will first pay **Loss** from such **Claim** made against the **Insured Person(s)** as to which indemnification by the **Insured Organization** is not legally permissible or is not made solely by reason of the **Insured Organization's Financial Insolvency**; then
 - b. to the extent that any amount of the applicable Limit of Liability shall remain available, the Insurer shall pay **Loss** from such **Claim** made against the **Insured Person(s)** as to which indemnification by the **Insured Organization** is legally permissible and/or made against the **Insured Organization**, as applicable.
2. In all events (including those described in clause K. 1. above), upon the written request of the **Named Entity**:
 - a. the Insurer will first pay **Loss** from any **Claim** made against the **Insured Person(s)** as to which indemnification by the **Insured Organization** is not legally permissible or is not made solely by reason of the **Insured Organization's Financial Insolvency**; then
 - b. to the extent that any amount of the applicable Limit of Liability shall remain available, the Insurer shall either pay or withhold payment of **Loss** from such **Claim** made against the **Insured Person(s)** as to which indemnification by the **Insured Organization** is legally permissible and/or made against the **Insured Organization**, as applicable, all as requested by the **Named Entity**.

If the **Named Entity** requests that the Insurer withhold payment of **Loss**, as provided in clause 2.b. above, the Insurer shall continue to withhold payment unless and until the **Named Insured** shall request the Insurer either to release such payment to the **Insured Organization** on account of such **Claim**, or apply such payment to covered **Loss** from any future **Claim** made against the **Insured Person(s)** as to which

indemnification by the **Insured Organization** is not legally permissible or is not made solely by reason of the **Insured Organization's Financial Insolvency**.

L. **COVERAGE TERRITORY**

Coverage under this policy is limited to the United States of America.

M. **BANKRUPTCY – WAIVER OF AUTOMATIC STAY**

If a liquidation or reorganization proceeding is commenced by any **Insured Organization** (whether voluntarily or involuntarily) under Title 11 of the United States Code, as amended, or any similar state, local or foreign law ("Bankruptcy Law"), then with respect to a covered **Claim**, the **Insureds** hereby:

1. waive and release any automatic stay or injunction to the extent it may apply in such proceeding to the proceeds of this Policy under such Bankruptcy Law; and
2. agree not to oppose or object to any efforts by the Insurer or any **Insured** to obtain relief from any stay or injunction applicable to the proceeds of this Policy as a result of the commencement of such liquidation or reorganization proceeding.

Bankruptcy of any **Insured** shall not relieve the Insurer of its obligations under this Policy.

N. **ENTIRE AGREEMENT**

The **Insured** agrees that the Declarations, Policy, including the endorsements, attachments and the **Application** shall constitute the entire agreement between the Insurer or any of its agents and the **Insured** relating to this insurance.

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ENDORSEMENT # 1

This endorsement, effective 12:01 a.m., 01/16/2026 forms a part of Policy No. PDO4000138 issued to Sea Grape Condominium Association, Inc.

by **The Hanover Insurance Company**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

PREFERRED COMMUNITY ASSOCIATION PROTECTOR INSURANCE POLICY

It is agreed that:

1. Section **II. DEFINITIONS, Loss**, subsection B. is deleted and replaced with:
 - B. vicariously assessed punitive or exemplary damages to the extent that such damages are insurable under the laws of the state of Florida,
2. Section **IV. LIMIT OF LIABILITY, RETENTIONS AND INDEMNIFICATION**, subsection D. is deleted and replaced with:
 - D. Regardless of whether the **Defense Expense Limit of Liability** has been exhausted, if the amount set forth in **Item 3.A.** of the Declarations is exhausted by the payment of **Loss**, all obligations of the Insurer under this Policy will be completely fulfilled and exhausted, including any duty to defend, and the Insurer will have no further obligation of any kind or nature whatsoever under this Policy.
3. Section **VI. GENERAL CONDITIONS**, subsection D. **MERGERS AND ACQUISITIONS (CHANGES IN EXPOSURE OR CONTROL)**, clause 4. is deleted and replaced with:
 4. If, during the **Policy Period**, there is a **Change in Control**, the coverage provided under this Policy shall continue to apply but only with respect to a **Claim** for a **Wrongful Act** solely committed or allegedly committed, prior to the **Change in Control** and no coverage will be available under this Policy for any **Claim** for a **Wrongful Act** committed subsequent to the **Change in Control**.
2. Section **VI. GENERAL CONDITIONS**, subsection E. **CANCELLATION AND RENEWAL OF COVERAGE**, Subsections 1. and 3. are deleted and replaced with:
 1. Except for the nonpayment of premium, as set forth in clause E.2. below, the **Named Entity** has the exclusive right to cancel this Policy prior to the Policy Expiration Date set forth in **Item 2.** of the Declarations. Cancellation may be effected by mailing to the Insurer written notice when such cancellation shall be effective, provided the date of cancellation is not later than the date such notice is received by the Insurer. In such event, the Insurer shall retain the customary short rate portion of the earned premium. The customary short rate return premium will be calculated by multiplying the pro rata unearned premium by ninety percent (90%). Return or tender of the unearned premium is not a condition of cancellation.
 3. The Insurer is under no obligation to renew this Policy upon its expiration. Once the Insurer chooses to non-renew this Policy, the Insurer will deliver or mail to the **Named Entity** written notice stating such at least forty-five (45) days before the Policy Expiration Date set forth in **Item 2.** of the Declarations.

Notice of termination or nonrenewal will be mailed to the **Named Entity** by first class mail to the address shown on the Declarations, with a statement of the specific reason for such termination or nonrenewal. If this Policy is terminated, the Insurer will return the pro rata unearned premium within fifteen (15) working days of the effective date of termination. A U.S. Postal Service Certificate of Mailing will be sufficient proof of receipt of notice.

If the Insurer decides to offer renewal terms, written notice will be mailed to the **Named Entity** at least forty-five (45) days prior to the expiration of the Policy. Failure to make the required premium payment by the renewal date will result in termination of the Policy for nonpayment of premium. If the Insurer fails to provide notice of change in terms and conditions of this Policy, coverage will remain in effect until forty-five (45) days after notice is given or until the effective date of replacement coverage the **Named Entity** obtains, whichever occurs first. Any earned premium for the extension of the terminated Policy will be calculated pro rata based on the expiring premium or the rate filing then in effect, whichever is lower.

All other terms and conditions of this policy remain unchanged.

ENDORSEMENT # 2

This endorsement, effective 12:01 a.m., 01/16/2026 forms a part of Policy No. PDO4000138 issued to Sea Grape Condominium Association, Inc.

by **The Hanover Insurance Company**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PURCHASING GROUP CONVERSION

This endorsement modifies insurance provided under the following:

PREFERRED COMMUNITY ASSOCIATION PROTECTOR INSURANCE POLICY

It is agreed that:

1. The **Named Entity** on the Master Policy Declarations is Preferred Property Program, Inc., Preferred Property Risk Purchasing Group, Inc. The **Named Entity** on the Certificate of Insurance shall mean the **Named Entity**, member of the Preferred Property Program, Inc., Preferred Property Risk Purchasing Group, Inc. shown on each individual Certificate of Insurance.
2. The **Policy Period** shown on an individual Certificate of Insurance is the period that the insurance is in force for that individual Named Entity, regardless of the policy period of the Master Policy; provided however, that in no event shall the expiration date of the individual Certificate of Insurance be later than the expiration date of the Master Policy.
3. Any reference to policy number in a Schedule, form or endorsement, shall mean the individual Certificate Number.
4. Section **IV. LIMIT OF LIABILITY, RETENTIONS AND INDEMNIFICATION**, Item A. shall apply individually to each Certificate of Insurance.
5. Any Schedule, form or endorsement shown on an individual Certificate of Insurance or made part thereof, only applies to coverage under that Certificate of Insurance.
6. Any notices sent by the Insurer will be sent to the **Named Entity** shown on the Master Policy declarations, including notice of cancellation or nonrenewal. The policy provisions are amended accordingly.

All other terms and conditions of this policy remain unchanged.

ENDORSEMENT # 3

This endorsement, effective 12:01 a.m., 01/16/2026 forms a part of Policy No. PDO4000138 issued to Sea Grape Condominium Association, Inc.

by **The Hanover Insurance Company**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MAINTENANCE OF PROPERTY EXCLUSION

This endorsement modifies insurance provided under the following:

PREFERRED COMMUNITY ASSOCIATION PROTECTOR INSURANCE POLICY

It is agreed that:

The following is added to Section III. Exclusions, A. **Exclusions Applicable to All Loss:**

The Insurer 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 actual or alleged failure to sufficiently, prudently, or in a timely manner reserve for or effectuate structural repairs, alterations, improvements, or maintenance of property under the ownership, management, or control of any **Insured**.

All other terms and conditions of this policy remain unchanged.

ENDORSEMENT # 4

This endorsement, effective 12:01 a.m., 01/16/2026 forms a part of Policy No. PDO4000138 issued to Sea Grape Condominium Association, Inc.

by **The Hanover Insurance Company**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

PREFERRED COMMUNITY ASSOCIATION PROTECTOR INSURANCE POLICY

It is agreed that:

1. Section II. **DEFINITIONS** is amended to include the following solely for the purposes of this endorsement:
Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provision of the federal Terrorism Risk Insurance Act to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a Certified Act of Terrorism include the following:
 - A. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - B. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United State or to influence the policy or affect the conduct of the United States Government by coercion.
 - C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any **Loss** that is otherwise excluded under the policy.
2. Section III. **EXCLUSIONS** is amended to include the following exclusion:
The Insurer shall not be liable to make any payment for **Loss** and shall have no duty to defend or pay **Defense Expenses**, in connection with any **Claim** made against an **Insured** based upon, directly or indirectly arising out of, or in any way involving any **Certified Act of Terrorism**.

All other terms and conditions of this policy remain unchanged.

ENDORSEMENT # 5

This endorsement, effective 12:01 a.m., 01/16/2026 forms a part of Policy No. PDO4000138 issued to Sea Grape Condominium Association, Inc.

by **The Hanover Insurance Company**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

PREFERRED COMMUNITY ASSOCIATION PROTECTOR INSURANCE POLICY

It is agreed that:

1. If aggregate insured losses attributable to **Certified Acts of Terrorism**, so certified under the federal Terrorism Risk Insurance Act, exceed \$100 billion dollars in a calendar year and the **Insurer** has met the **Insurer** deductible under the Terrorism Risk Insurance Act, the **Insurer** shall not be liable for payment of any portion of the amount of such losses that exceeds \$100 billion dollars, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
2. **Certified Act of Terrorism** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a **Certified Act of Terrorism** include the following:
 - a. The act resulted in insured losses in excess of \$5 million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss that is not otherwise excluded under this Policy.

All other terms and conditions of this policy remain unchanged.

**U.S. Treasury Department's
Office of Foreign Assets Control ("OFAC")
Advisory Notice To Policyholders**

No coverage is provided by this policyholder notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this notice carefully.**

The Office of Foreign Assets Control ("OFAC") administers and enforces sanctions policy, based on Presidential Declarations of National Emergency.

OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotic traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site: <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated United States sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.

Other limitations on the premiums and payments also apply.

THIS POLICYHOLDER NOTICE IS ATTACHED TO THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA INQUIRY NOTICE

The name, address and phone number of your agent or agency is printed on the declarations page of your policy. Please contact your agent if you require assistance, need information, have a question on your policy or have a complaint. Should you require further assistance please contact us at the following:

For inquiries or to obtain information about coverage:

The Hanover Insurance Company
440 Lincoln Street
Worcester, MA 01653
1-800-853-0456
www.Hanover.com

For Complaints:

The Hanover Insurance Group
Hanover Compliance Department
440 Lincoln Street
Worcester, MA 01653
1-800-446-8379
Complaints@hanover.com

If you have been unable to contact or obtain satisfaction from the company or the agent, you may contact the Florida Department of Financial Services at:

DFS Consumer Services
Email: consumer.services@myfloridacfo.com
Toll-Free Helpline (in FL): (877) 693-5236
Out-of-State Callers: (850) 413-3089
TDD Line: (800) 640-0886