DIRECTORS AND OFFICERS LIABILITY
(AssociationsAssociation of Owners)

Refer to Supplementalthe Declarations if information is not shown on this form.
We provide coverage under thisThis endorsement is subject to the ***terms*** contained in the Generalyour policy.

SCHEDULE

Limits Of Liability Coverage.

This endorsement forms a part of the policy identified below:
Policy No. _____.
Insured: _____.
Endorsement Period: Inception _____ Expiration _____.

$ _____ Each ***Wrongful Act***

$ _____ Aggregate

Self-Insured Retention $ _____ Per director or officer, per each ***wrongful act***

DEFINITIONS

Those words which are bolded and italicized in this endorsement have specific meanings. Those meanings include:
The following definitions apply to this policy form:

1. ***Bodily Injury******Sexual harassment*** means ***bodily injury***, bodily sicknessunwanted sexual advances, requests for sexual contact, or bodily disease sustained byphysical, verbal or visual conduct of a sexual nature that:
   a. Results from any unlawful employment practice as set forth in any applicable federal law, state law, municipal code or ordinance;
   b. Affects a term or condition of employment;
   c. Interferes with a person's ability to perform their job; or
   d. Creates a hostile work environment for any person.
2. which occurs during the term of this endorsement***Sexual misconduct*** means any activity, whether permissible or not, of a sexual nature, including but not limited to, sexual assault, sexual abuse, sexual battery, sexual relations, sexual acts or related activities, exposure of sexual organs, lewd or lascivious behavior or indecent exposure, fornication, unauthorized touching, acts of a prurient nature or the photographic, video or other reproduction of sexual activity.
3. death at any time resulting from such ***bodily injury***, bodily sickness or bodily disease.

Suit-The definition of ***suit*** in the General Liability Coverage is amended to include 2. ***First Named Insured*** shall be the first listed and primary ***insured*** authorized to act on behalf of all ***insureds***.

3. ***Insured/Named Insured*** means the individual(s), partnership(s), corporation(s) or other entities shown as ***insureds*** under this endorsement.
4. ***Property Damage*** means physical injury to or destruction of tangible property which occurs during the term of this endorsement, including loss of use at any time resulting from such physical injury or destruction. It also means the loss of use of tangible property which has not been physically injured or destroyed providing such loss of use is caused by a covered occurrence during the term of this endorsement.
5. ***Suit*** means a civil proceedingsproceeding in which damages to which this endorsementDirectors And Officers Liability coverage applies are alleged. ***Suit*** also means arbitration and other quasi-judicial proceedings to which *you* are obliged to submit or submit with ***our*** consent.
6. 4. ***Wrongful Act***(s)***act*** means any actual or alleged error, omission, mistake, neglect or breach of duty by an ***insured*** solely within their capacity as an ***insured***a director or officer acting on behalf of the above named organization or association of owners. covered by this policy.

HOW MUCH *WE* PAY FOR LOSS OR CLAIM

The limits of liability applicable to Directors and Officers Liability are as follows.

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~~Limits of Liability:~~

~~$ _____ Each *Wrongful Act*.~~
~~$ _____ Aggregate.~~

~~Uninsured Retention $ _____ per individual, per each alleged or actual *Wrongful Act*.~~

WHAT *WE* PAY FOR~~:~~

~~*We* pay on behalf of the *insured* all sums which the *insured* shall be legally obligated to pay as damages resulting from *wrongful acts* of the *insured* or any other person for whose acts the *insured* is legally responsible. The *wrongful act* must first occur during the term of this endorsement and it must rise solely from the *insured's* conduct as an officer or director of the Association of Owners shown in *your* policy. *We* pay only that amount in excess of the uninsured retention amount and *we* do not pay more than the limit of liability for each *wrongful act* and for the aggregate.~~

~~*We* assume no other obligations or liability to pay sums or to perform acts or services unless the~~ The following coverage is ~~specifically provided for in~~added to Coverage L-***Bodily Injury*** And ***Property Damage***.

1. ***We*** pay those sums when the ~~Supplementary Payments. *We* shall~~***insured*** is legally obligated to pay damages because of a ***wrongful act*** to which this coverage applies.
   We have the right and duty to defend the ***insured*** against any ***suit*** seeking such damages, even if any of the allegations of the ***suit*** are groundless, false or fraudulent, provided the ***suit*** ~~resulted~~originates from ~~*bodily injury* or *property damage*~~a ***wrongful act*** not otherwise excluded~~ under this coverage.~~. ***We*** may make, at ***our*** option, any investigation and settle any claim or ***suit*** that ***we*** decide is appropriate. However, the amount ***we*** pay for damages will be limited as described in the How Much ***We*** Pay For Loss Or Claim section. ***We*** are not obligated to provide a defense, after ***we*** have paid, either by judgment or settlement, an amount equal to ***our*** limit of liability. No other obligations or liability to pay sums, or to perform acts or services is covered, unless specifically provided for in the Supplementary Payments.

~~SUPPLEMENTARY PAYMENTS~~

~~This endorsement provides the following Supplementary Payments. These Supplementary Payments are subject to the *terms* of the Principal Coverages. These Supplementary Payments do not increase the limit of liability stated for the Principal Coverages except: Claims and Defense Expense Coverage.~~

~~1. **Claims and Defense Expense Coverage** *We* pay the following expenses incurred in connection with a *suit* defended by *us* under the *bodily injury* and *property damage* liability coverage:~~
~~a) costs taxed to the *insured*;~~
~~b) expenses incurred by *us*;~~
~~c) actual loss of earnings by an *insured*, up to $100 per day, for time spent away from *work* at *our* request;~~
~~d) other necessary expenses incurred at *our* request;~~
~~e) pre-judgment interest awarded against the *insured* on that part of the judgment *we* pay. If *we* make an offer to pay the applicable limit of insurance, *we* will not pay any pre-judgment interest based on that period of time after the offer;~~
~~f) interest accruing after entry of a judgment but ending when *we* tender or pay up to the applicable limit of liability;~~
~~g) premiums on appeal bonds or bonds to release attachments up to *our* limit of liability (*we* are not required to apply for or furnish any bonds); and~~
~~h) premiums up to $500 per bail bond required of any *insured* because of an accident or traffic law violation arising out of the use of any vehicle to which this policy applies. (*We* are not required to apply for or furnish any bonds).~~

~~EXCLUSIONS~~

a. This insurance applies only if:
   1) The ***wrongful act*** arises solely from the ***insured's*** conduct as a director or officer of the association of owners and takes place during the policy period and in the ***coverage territory***; and
   2) No ***authorized representative*** had knowledge prior to the inception of the policy period that the ***wrongful act*** occurred. If an ***authorized representative*** possessed such knowledge prior to the inception of the policy period, then any continuation, resumption or change of the ***wrongful act*** will be deemed to have been known prior to the policy period.

b. ***Wrongful acts*** which occur during the policy period include any continuation, resumption or change of that ***wrongful act*** after the end of the policy period, provided that no ***authorized representative*** had knowledge prior to the inception of the policy period that the ***wrongful act*** occurred.

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c. ***Wrongful acts*** will be deemed to have been known to occur at the earliest time when any ***authorized representative***:
   1) Makes a report of all or part of the ***wrongful act*** to ***us*** or any other insurer;
   2) Receives a verbal or written demand or claim for damages resulting from the ***wrongful act***; or
   3) Becomes aware by any means that the ***wrongful act*** has occurred or begun to occur.

WHAT *WE* DO NOT PAY FOR

The following exclusions are added to Coverage L-***Bodily Injury*** And ***Property Damage***.

1. ***We*** do not pay for any claim or ***suit***:
   ~~1. alleging~~a. Alleging fraud, dishonesty or other criminal acts or omissions, however, ***we*** will reimburse all amounts collectible under this policy if all the allegations are subsequently proven false;
   ~~2. alleging false arrest, detention or imprisonment; libel, slander or defamation of character; discrimination or other civil rights violations; or wrongful entry, wrongful eviction, invasion of privacy or any act of malicious prosecution;~~
   ~~3. alleging ***bodily injury***, bodily sickness, bodily disease or death, personal injury, advertising injury, mental anguish or distress or damage to or destruction of property including loss of use of such property;~~
   ~~4. seeking~~ b. Alleging ***bodily injury*** or ***property damage***;
   c. Seeking non-pecuniary relief, seeking an accounting of profits and/or losses made from the purchase or sale of securities, and for any dispute as to salary, bonuses or other remuneration awarded to ~~officers or~~ directors or officers of the ~~organization by the Board~~association of ~~Directors or Governors of the organization;~~owners;
   ~~5. alleging~~d. Alleging a failure to effect or maintain adequate insurance or bond coverages, or any ~~claim~~claims or ***suits*** arising out of the gaining in fact of any profit or advantage to which an ***insured*** is not legally entitled;
   ~~6. alleging a~~ e. Seeking damages for breach of ~~fiduciary duty, responsibility~~any contract or ~~obligation in connection with any actual or alleged violation of the~~ agreement;
   f. Involving the investigation or defense of any loss, damage, or any cost, fine or penalty, or for any expense, claim or ***suit*** related to:
      1) The Employee Retirement Income ~~Security~~System Act ~~or~~ (ERISA), The Pension Reform Act of 1974 including any amendments thereto, any similar ~~promulgation under~~ federal~~,~~ or state statutes or any local ~~law~~ordinance; or~~ regulation;~~
      ~~7. brought~~ 2) Any real or alleged pension underfunding or shortfalls, however caused;
   g. Brought by one ***insured*** against another ***insured*** covered under this same ~~endorsement; and~~policy;
   ~~8. alleging a cause of action~~h. Seeking any loss, cost or expense arising out of ~~or resulting directly~~any:
      1) Request, demand or ~~indirectly from any~~ order; or federal, state, or local statute, ordinance or regulation; that an ***insured***, the association of owners or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or respond or assess in any manner the consequences of ***pollutants***; or
      2) Claim or ***suit*** by or on behalf of a governmental authority for damages because of a requirement to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or respond or assess in any manner the consequences of ***pollutants***; or
   i. Arising out of any actual, alleged ~~occurrence of seepage, pollution or contamination of any sort or any real or~~ or threatened ~~nuclear radiation, nuclear reaction or radioactive contamination.~~***sexual harassment*** or ***sexual misconduct***.

HOW MUCH *WE* PAY FOR LOSS OR CLAIM

~~ADDITIONAL CONDITIONS~~

~~Orderly transfer of duties when limits of liability are exhausted for each ***wrongful act*** or for the aggregate:~~

~~1. When ***we*** have paid an amount equal to the limits of liability shown, ***we*** will notify the ***first named insured*** in writing, as soon as practicable, that the applicable limit of liability has been exhausted. The notice will confirm that ***our*** duty to defend ***suits*** has terminated.~~

This section is in addition to all applicable provisions of How Much ***We*** Pay For Loss Or Claim in ***your*** policy. Settlement of Directors And Officers Liability losses covered by this endorsement will be made in accordance with the following provisions:

1. The Aggregate limit of liability shown 2. ~~***We*** will initiate and cooperate in the orderly transfer of control to any appropriate ***insured***. ***We*** will take such steps as ***we*** deem appropriate to avoid a default in or to continue the defense of such ***suits*** until the transfer to a cooperating ***insured*** is complete. ***We*** will not defend any other ***suits*** subject to those limits of liability which have been exhausted.~~

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~~3. The ***insured*** must take control of the ***suit***, at their expense, within the agreed upon time or as soon as practicable~~ in the ~~absence of any agreement.~~

~~4. The ***first named insured***~~Schedule is ~~obliged to reimburse ***our*** expenses incurred in continuing the defense~~the most ***we*** pay for damages during ~~the transitiona~~ policy period ~~referred to in 2. above. Reimbursement will be payable for all expenses ***we*** incur after providing the written notice referred to in 1. above.~~for Directors And Officers Liability.

2. ~~5.~~ The ~~exhaustion of ***our***~~Each ***Wrongful Act*** limit of liability ~~by payment of judgments or settlements, and the resulting termination of ***our*** duty to defend,~~shown in the Schedule, subject to 1. above, is the most ***we*** pay for damages for Directors And Officers Liability arising out of a single ***wrongful act***.
3. Payments made under Directors And Officers Liability, as stated in 1. above, will reduce the Coverage L aggregate limit of liability. Payments made under Directors And Officers Liability, as stated in 2. above, will reduce the Coverage L each ***occurrence*** limit of liability.
4. ***Our*** obligation to pay damages on behalf of the ***insured*** applies only to the amount in excess of the Self-Insured Retention shown in the Schedule. The Limits Of Liability will not be ~~waived by ***our*** failure to comply with any~~reduced by the amount of the ~~provisions of 1. through 4. above.~~Self-Insured Retention. For the purposes of applying the Self-Insured Retention, all losses resulting from the same ***wrongful act*** or related ***wrongful acts*** shall be considered one ***wrongful act***.

All other ***terms*** and conditions remain unchanged.

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