



580 WALNUT STREET, CINCINNATI, OHIO 45202

**Declarations for
Non-Profit Organization
Executive Protection and
Employment Practices Liability
Insurance Policy**

Insurance is afforded by the company indicated below: (Each a capital stock corporation)

- X Great American Insurance Company • Agricultural Insurance Company
- American National Fire Insurance Company • Other _____

Policy Number: EPP2596270-02 Policy Form Number: D 9100

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- Item 1 **Name of Organization:** Glen of Pacific Grove Homeowners Association, Inc ,
Mailing Address: 1 Glen Lake Drive

City, State, Zip Code: Pacific Grove, CA 93950
- Item 2 **Policy Period:** From 5/5/2008 To 5/5/2009
(Month, Day, Year) (Month, Day, Year)
(Both dates at 12:01 a.m. Standard Time at the address of the Organization as stated in Item 1)
- Item 3 **Limit of Liability:**
\$5,000,000 Aggregate Limit of Liability for Each Policy Year
- Item 4 **Retention:**
\$1,000 Each Claim
- Item 5 **Premium:**
\$2,076.00
- Item 6 **Endorsements Attached:**
Non-Profit Organization Executive Protection and Employment Practices Liability Insurance Policy D 9100 (12/99)
Property Managers Endorsement D 9718 (01/97)
Elite Coverage Amendments D 9718 (01/97)
Punitive Damage Endorsement D 9713-2 (01/97)
Terrorism Coverage Endorsement D 9876 (12/02)
Terrorism Coverage Premium Disclosure D 9800-1 (02/03)
Amendment to Section IV D 9714 (01/97)
General Limitation of Coverage Endorsement D 9500 1-2 (01/97)
Subsidence of Land Endorsement D 9714 (01/97)
- Item 7 **Notices:** All notices required to be given to the Insurer under this Policy shall be addressed to:
Great American Insurance Companies
Executive Liability Division
P O Box 66943
Chicago Illinois 60666
- Item 8 **Initial Coverage Date:** 5/5/2006

These Declarations along with the completed and signed Proposal Form and Non-Profit Organization Executive Protection and Employment Practices Liability Insurance Policy, shall constitute the contract between the Insureds and the Insurer

NOI REQUIRED
(Authorized Representative)
D 9102 (3/97)

NOT REQUIRED
(Counter signature Date)



**Non-Profit Organization
Executive Protection and
Employment Practices
Liability Insurance Policy**

AMENDMENT TO SECTION VIII

It is understood and agreed that Section VIII of the Policy is hereby amended as follows:

I. Addition of Property Manager as an Insured is hereby added to the Policy.

(1) Section III. B. is deleted and replaced with the following:

B. "Insured" shall mean the **Organization** and any **Subsidiary** and all **Insured Persons**. **Insured** shall also mean any **Property Manager**, but only if such **Property Manager** is acting pursuant to the written authority granted by the **Organization** or on behalf of and at the direction of the **Organization** or any **Subsidiary**.

(2) Section III. C. is deleted and replaced with the following:

C. "Insured Persons" shall mean all persons who were, now are, or shall be directors, trustees, officers, employees, volunteers or staff members of the **Organization** or its **Subsidiaries**, including any executive board members and committee members whether salaried or not. It shall also mean all persons who were, now are, or shall be directors, trustees, officers, employees, volunteers or staff members of any **Property Manager**, but only if such persons are acting within the scope of their employment with the **Property Manager** and on behalf of the **Organization** or any **Subsidiary**.

(3) Section III. Definitions is amended by the addition of the following:

M. "Property Manager" shall mean any entity providing real estate property management services to the **Organization** or any **Subsidiary** pursuant to a written contract.

With respect to the coverage provided to any **Property Manager** and its directors, trustees, officers, employees, volunteers or staff members by this endorsement and notwithstanding Section IV. D of the Policy:

Section IV. is amended by the addition of the following:

K. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Employment Practices Wrongful Act** alleged by or on behalf of an employee of the **Property Manager**.

Insured: Glen of Pacific Grove Homeowners Association, Inc.

Policy Period: 5/5/2008 To 5/5/2009

Policy Number: EPP2596270-02

Countersigned by: Not Required
Authorized Representative

Endorsement Effective Date: 5/5/2008

Form D 9718 (01/97)

Endorsement Number:



**Non-Profit Organization
Executive Protection and
Employment Practices
Liability Insurance Policy**

AMENDMENT TO SECTION VIII

It is understood and agreed that Section VIII of the Policy is hereby amended as follows:

Section VIII Elite Coverage Amendments

It is understood and agreed that the following changes are made to the Policy:

1 Section III C. of the Policy is amended with the addition of the following:

C. "Insured Persons" shall also mean the lawful spouses, estates, heirs, legal representatives or assigns, in the event of their death, incapacity or bankruptcy, of all Insured Persons but only for Claims arising out of any actual or alleged Wrongful Act(s) of any Insured Persons

2 Section III D of the Policy is deleted and replaced with the following wording:

D "Subsidiary" shall mean: (1) any entity which qualifies as a not-for-profit organization under the Internal Revenue Code, other than a political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971 (and amendments thereto), and for which the Organization controls the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity; (2) any similar not-for-profit organization which was subsequently created or acquired by the Organization after the inception date of this Policy, if the entity's total assets do not exceed twenty-five percent (25%) of the total consolidated assets of the Organization as of the inception date of this Policy; or (3) any other entity added as a Subsidiary by written endorsement to this Policy. Coverage shall apply to a Subsidiary only for Wrongful Acts committed during the time such entity so qualified as a Subsidiary

3 Section III E of the Policy is amended with the addition of the following:

E. "Wrongful Act" shall also mean any matter claimed against any Insured Persons solely by reason of their status with the Organization

Insured: Glen of Pacific Grove Homeowners Association, Inc.,

Policy Period: 5/5/2008 To 5/5/2009

Policy Number: EPP2596270-02

Countersigned by: Not Required
Authorized Representative

Endorsement Effective Date: 5/5/2008

Form D9718 012 (01/97)

Endorsement Number:



**Non-Profit Organization
Executive Protection and
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Liability Insurance Policy**

AMENDMENT TO SECTION VIII

4. Section III G of the Policy is amended with the addition of the following:

G "Loss" shall also mean any 10% "excess benefit" tax assessed by the Internal Revenue Service against any **Insured Person** pursuant to 26 USC Section 4958 (a)(2) for participation by management in an excess benefit transaction.

"Loss" shall not include any 25% "excess benefit" tax assessed by the Internal Revenue Service against any **Insured Person** as a "disqualified person" or any 200% "excess benefit" tax for failure to correct the award of the "excess benefit" pursuant to 26 USC Sections 4958 (a)(1) and (b), respectively

For purposes of this endorsement, "disqualified person", "excess benefit" and "excess benefit transaction" shall be defined as those terms are defined in Section 4958 of the Internal Revenue Code

5. Section IV A is hereby deleted and replaced with the following:

A brought about or contributed to by: (1) any **Insured** gaining any profit, advantage or remuneration to which the **Insured** was not legally entitled; or (2) the fraudulent, dishonest or criminal acts of any **Insured**; provided, however, this exclusion shall only apply if it is finally adjudicated that such conduct in fact occurred; and the **Wrongful Act** of an **Insured Person** shall not be imputed to any other **Insured Person** for the purpose of determining the applicability of this exclusion;

6. Section IV B is hereby deleted and replaced with the following:

B to the extent it is insured under any other valid and collectible policy or policies, whether such insurance is stated to be primary, contributory, excess, contingent or otherwise, and regardless of whether or not any **Loss** in connection with such **Claim** is recoverable under such other policy or policies; provided, however, this exclusion shall not apply to the amount of **Loss** which is in excess of the amount of any deductible or retention amounts and the limit of liability of such other policy or policies where such **Claim** is otherwise covered by the terms and conditions of this Policy;

7. Section IV E is hereby deleted and replaced with the following:

E for any actual or alleged violation of the Employment Retirement Income Security Act of 1974 (or any regulations promulgated thereunder) or similar provision of any statutory or common law;



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AMENDMENT TO SECTION VIII

8 Section VI B. is deleted and replaced with the following:

B. The **Insurer** has the right to investigate and settle any **Claim**, as it deems expedient. In the event the **Insurer** recommends a settlement and the **Insured** refuses to consent thereto, the **Insurer's** liability for such **Claim** is limited to the amount in excess of the **Retention** which the **Insurer** would have contributed to the settlement had the **Insured** consented to settlement, the **Costs of Defense** covered by the Policy and incurred prior to the date of such refusal to settle, and 70 percent (70%) of any additional covered **Loss**, including **Costs of Defense**, incurred subsequent to such refusal and subject to the **Limit of Liability**

In the event the **Insured** refuses to consent to a settlement as contemplated above then Section V C. of the Policy is hereby deleted and replaced with the following:

C **Costs of Defense** incurred by the **Insurer** shall be in addition to the **Limit of Liability**, and such **Costs of Defense** shall be subject to the **Retention** amount. If **Costs of Defense** are incurred by the **Insured** with the **Insurer's** consent, such **Costs of Defense** shall be considered **Loss** and thus shall be subject to the **Limit of Liability** and **Retentions**

9 It is understood and agreed that Section VII A. is deleted and replaced with the following:

A The **Insureds** shall, as a condition precedent of their rights under this Policy, give the **Insurer** notice in writing of any **Claim** made, as soon as practicable from the date the **Chairman**, **President**, **Executive Director**, **Chief Financial Officer**, **General Counsel** or equivalent has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Period**.

10 It is understood and agreed that Section VIII A. (2) is deleted and replaced with the following:

(2) This Policy may only be cancelled by the **Insurer** if the **Organization** does not pay the premium when due

11 It is understood and agreed that Section VIII is amended by the addition of the following:

VIII. M Territory

The insurance provided by this Policy applies to **Wrongful Acts** anywhere in the world, provided that a **Claim** is brought against the **Insured** within the **United States of America**, its territories or possessions or **Canada**

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated



**Non-Profit Organization
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Liability Insurance Policy**

AMENDMENT I TO SECTION III

It is understood and agreed that Section III of the Policy is hereby amended as follows:

Section III.G is deleted in its entirety and replaced with the following:

G. Loss shall mean settlements and judgments, including punitive or exemplary damages or the multiple portion of any multiplied damage award, and subject to the provisions of Section V and VI, **Costs of Defense** incurred by the **Insured**, provided always, however, **Loss** shall not include taxes, criminal or civil fines or penalties imposed by law, or any matter which may be deemed uninsurable under the law pursuant to which this Policy shall be construed. It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated

Insured: Glen of Pacific Grove Homeowners Association, Inc.,

Policy Period: 5/5/2008 To 5/5/2009

Policy Number: EPP2596270-02

Countersigned by: Not Required
Authorized Representative

Endorsement Effective Date: 5/5/2008

Form D 9713-2 (01/97)

Endorsement Number:



**Non-Profit Organization
Executive Protection and
Employment Practices
Liability Insurance Policy**

COVERAGE FOR ACIS OF TERRORISM

It is understood and agreed that Section VIII General Conditions of the Policy is hereby amended by the addition of the following:

Section VIII. General Conditions

K Act of Terrorism Coverage

Subject to all other terms and conditions of this Policy, coverage is available for Loss caused by an Act of Terrorism as defined below

“Act of Terrorism” means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States –

- (i) to be an act of terrorism;
- (ii) to be a violent act or an act that is dangerous to –
 - (I) human life;
 - (II) property; or
 - (III) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
 - (I) an air carrier or vessel described in Section (5)(B) of the Terrorism Risk Insurance Act of 2002; or
 - (II) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, 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

With respect to any one or more Acts of Terrorism under the Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

Insured: Glen of Pacific Grove Homeowners Association, Inc.,

Policy Period: 5/5/2008 To 5/5/2009

Policy Number: EPP2596270-02

Countersigned by: Not Required
Authorized Representative

Endorsement Effective Date: 5/5/2008

Form D 9876 (12/02)

Endorsement Number:



**Non-Profit Organization
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AMENDMENT TO DECLARATIONS PAGE

It is understood and agreed that the Declarations is hereby amended by the addition of the following:

Item 9 Acts of Terrorism Premium: \$ 0.00

It is further understood and agreed form IA0001 Policyholder Disclosure Offer of Terrorism Coverage is attached to and is to be considered as incorporated in and constituting a part of this Policy

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated

Insured: Glen of Pacific Grove Homeowners Association, Inc.,

Policy Period: 5/5/2008 To 5/5/2009

Policy Number: EPP2596270-02

Countersigned by: Not Required
Authorized Representative

Endorsement Effective Date: 5/5/2008

Form D 9800-1 (02/03)

Endorsement Number:



P O Box 2575 Cincinnati, OH 45201

**Declarations for
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Insurance Policy**

AMENDMENT TO SECTION IV

It is understood and agreed that Section IV of the Policy is hereby amended as follows:

Section IV. I. is deleted and replaced with the following:

I. for any actual or alleged liability of any **Insured** under any contract or agreement, express or implied, written or oral; provided however this exclusion shall not apply to:

(1) **Costs of Defense**, or

(2) employment related obligations which would have attached absent such contract or agreement;

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated

Insured: **Glen of Pacific Grove Homeowners Association, Inc.**,

Policy Period: 5/5/2008 To 5/5/2009

Policy Number: EPP2596270-02

Countersigned by: _____
Authorized Representative

Endorsement Effective Date: 5/5/2008

Form D 9714 12(01/97)

Endorsement Number:



**Non-Profit Organization
Executive Protection and
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Liability Insurance Policy**

GENERAL LIMITATIONS OF COVERAGE

It is understood and agreed that this Policy does not apply to any Claim made against any Insured based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:

any Wrongful Act or any fact, matter, circumstance, situation, transaction, casualty, event or decision, known by any Insured Person prior to the Initial Coverage Date listed in Item 8 of the Declarations Page which would indicate the probability of such Claim being made

It is further understood and agreed that this exclusion shall only apply to the Organization, its Subsidiaries and those Insured Persons having such knowledge

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated

Insured: Glen of Pacific Grove Homeowners Association, Inc.

Policy Period: 5/5/2008 To 5/5/2009

Policy Number: EPP2596270-02

Countersigned by: Not Required
Authorized Representative

Endorsement Effective Date: 5/5/2008

Form D 9500-1 (01/97)

Endorsement Number:



**Non-Profit Organization
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GENERAL LIMITATIONS OF COVERAGE

It is understood and agreed that this Policy does not apply to any Claim made against any Insured based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:

- 1) actual, alleged or threatened:
 - (a) inhalation of, ingestion of, contact with, or exposure to any Fungi or bacteria; or
 - (b) existence of or presence of any Fungi or bacteria on or within a building or structure including its contents, regardless of whether any other cause, event, material, or product contributed concurrently or in any sequence to any injury or damage; or
- (2) any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, disposing of, or in any way responding to, or assessing the effects of Fungi or bacteria by any Insured or by any other person or entity

For the purposes of this endorsement the term Fungi means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents, or byproducts produced or released by fungi

- (3) any actual or alleged liability of an Insured, in whole or in part, including but not limited to cross claims, cross claims or third party claims for contribution or indemnity, related to or for Construction Defect(s)

For the purposes of this endorsement the term Construction Defect(s) means any actual or alleged defective, faulty or delayed construction or any other matter constituting a construction defect under applicable law regardless of whether it results from:

- (a) defective or incorrect architectural plans or other designs,
 - (b) defective or improper soil testing,
 - (c) defective, inadequate or insufficient protection from subsoil or earth movement or subsidence,
 - (d) construction, manufacture or assembly of any tangible property,
 - (e) the failure to provide or pay for any construction-related goods or services, or
 - (f) the supervision or management of any construction-related activities
- (4) any actual or alleged liability of an Insured, in whole or in part, in the capacity as a builder or developer, or in the capacity of a sponsor of the Organization, or of an Insured affiliated with such a builder, developer or sponsor, and which is related to actual or alleged misconduct on the part of such builder, developer or sponsor, including but not limited to actual or alleged conflict of interest, self-dealing, or disputes concerning conversion, construction or development
 - (5) actual or alleged noise

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated

Insured: Glen of Pacific Grove Homeowners Association, Inc.

Policy Period: 5/5/2008 To 5/5/2009

Policy Number: EPP2596270-02

Countersigned by: Not Required
Authorized Representative

Endorsement Effective Date: 5/5/2008

Form D 9500-2 (01/97)

Endorsement Number:



**Non-Profit Organization
Executive Protection and
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AMENDMENT I TO SECTION IV

It is understood and agreed that Section IV of the Policy is hereby amended as follows:

The following exclusion is added to the Policy:

- L. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any "Subsidence of Land", which includes, but is not limited to:
- (1) settling, bulging, cracking, shrinking, expansion or damage of any type to or involving foundations, walls, roofs, slabs or ceilings or other property;
 - (2) any failure to maintain, install or otherwise monitor any slope areas;
 - (3) conduct of any **Insured** in response to any requests or demands for indemnification, repair, replacement, insurance or coverage for any damage allegedly caused by "Subsidence of Land";
 - (4) any assessments, dues or other obligations proposed or levied as a result of "Subsidence of Land";
or
 - (5) failure on the part of any **Insured** to effect and maintain adequate insurance for "Subsidence of Land".

For purposes of this endorsement, the term "Subsidence of Land" means any earth movement of any kind, including, but not limited to landslide, mudflow, earth sinking, earth rising or slope movement, regardless of the cause

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

Insured: Glen of Pacific Grove Homeowners Association, Inc.,

Policy Period: 5/5/2008 To 5/5/2009

Policy Number: EPP2596270-02

Countersigned by: Not Required
Authorized Representative

Endorsement Effective Date: 5/5/2008

Form D 9714 (01/97)

Endorsement Number: