

**NOTICE:**

**WITH RESPECT TO ASSOCIATION LIABILITY COVERAGE PART, THIS IS A CLAIMS MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE NAMED ENTITY INSUREDS DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES.**

**THE CRIME COVERAGE PART APPLIES TO A COVERED LOSS SUSTAINED RESULTING FROM ACTS OR EVENTS OCCURRING DURING THE POLICY PERIOD UNLESS CERTAIN CONDITIONS CONCERNING PRIOR INSURANCE ARE MET.**

**DEFENSE COSTS INCURRED UNDER COVERAGE PARTS A REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.**

| NAMED ENTITY AND MAILING ADDRESS   | NAMED ENTITY NUMBER AND PHYSICAL ADDRESS   |
|--|--|
| Item 1. Fieldstone Owners Association<br>c/o Board of Directors<br>344 Fieldstone Drive<br>MURPHYS, CA 95247 | 105-362 Fieldstone Dr.<br>MURPHYS, CA 95247  |
| POLICY NUMBER  | INSURER  |
| 618649009  | Continental Casualty Company<br>CNA Center, 151 North Franklin Street<br>Chicago, IL 60606 |

Item 2. **Policy Period:** 11/02/2019 to 11/02/2020  
12:01 a.m. local time at the address stated in Item 1.

|                                      |            |
|--------------------------------------|------------|
| Item 3. <b>Policy Premium:</b>       | \$1,808.00 |
| <b>Policy Administrative Charge:</b> | 35.00      |
| <b>Total Amount Due:</b>             | \$1,843.00 |

Item 4. Notices to Insurer:

**Claims:**  
CNA – Community Association Claims Reporting  
P.O. Box 8317  
Chicago, IL 60680-8317  
  
Email: newlossnfpca@cna.com

All other notices:  
Ian H. Graham Insurance, a division of  
Affinity Insurance Services, Inc.  
Managing General Underwriter  
15303 Ventura Boulevard, 12th Floor  
Sherman Oaks, CA 91403

Item 5. Coverage:

This Policy is issued with the Limits of Liability and Retentions set forth, subject to the Prior or Pending Date, if applicable all as set forth in the schedule below.

**Defense Costs** are included within the applicable limit of liability for **Association Liability Coverage Part**. Defense costs are neither covered nor included within the applicable limits(s) of liability for the **Crime Coverage Part**.



This Policy includes *only* those coverages designated with a "Yes" as "Included" in column ① of the Coverage Schedule set forth below. *If neither "Yes" or "No" is designated for a **Coverage Part** or a specific **Crime Coverage Part** Insuring Agreement, such **Coverage Part** or specific **Crime Coverage Part** Insuring Agreement is not included.*

| <b>COVERAGE PART</b>  | <b>①<br/>INCLUDED<br/>(YES OR NO)</b> | <b>②<br/>SCHEDULED<br/>LIMITS OF LIABILITY</b>   | <b>③<br/>SCHEDULED<br/>RETENTIONS</b> | <b>④<br/>PRIOR OR<br/>PENDING DATE</b> |
|---|---------------------------------------|--|---------------------------------------|--|
| Association Liability   | Yes                                   | \$1,000,000<br>Aggregate Limit of Liability for all <b>Loss</b> paid on behalf of all <b>Named Entity Insureds</b> for all <b>Claims</b> first made during each <b>Policy Period</b> . | \$1,000                               | 11/02/2015                             |
| Crime:  |                                       | \$ per loss  |                                       | <i>Not Applicable</i>                  |
| Insuring Agreement 1:<br>Employee Dishonesty                    | Yes                                   | \$540,000  | \$2,500                               |  |
| Insuring Agreement 2:<br>Forgery or Alteration                  | Yes                                   | \$50,000   | \$250                                 |  |
| Insuring Agreement 3:<br>Theft, Disappearance and Destruction   | Yes                                   | \$50,000   | \$0                                   |  |
| Insuring Agreement 4:<br>Computer Fraud and Wire Transfer Fraud | Yes                                   | \$540,000  | \$2,500                               |  |

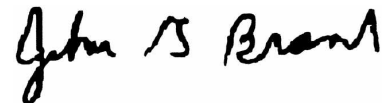
Item 6. Any natural person or entity property manager hired by the **Named Entity** to provide **Property Management Services**.

Item 7. Endorsements forming a part of this Policy at issuance:

|                      |  |
|----------------------|--|
| CNA-81758-XX (3/15)  | Notice - Offer of Terrorism Coverage; Disclosure of Premium                        |
| G-145126-A (8/03)    | Policyholder Notice Economic and Trade Sanctions Conditions                        |
| G-145170-AC (6/03)   | Community Association Policy General Terms and Conditions                          |
| G-145171-AC (6/03)   | Community Association Liability Coverage Part                                      |
| CNA-77509-XX (1/14)  | Network Risk and Privacy Claim Endorsement   |
| CNA-77510-CA (5/14)  | Privacy Event Expense Endorsement - California                                     |
| CNA-77511-XX (1/14)  | Amend Claims By Insured Exclusions Endorsement                                     |
| CNA-77513-XX (1/14)  | Outside Director Endorsement   |
| CNA-77515-XX (1/14)  | Supplementary Payment - Defendant Reimbursement Endorsement                        |
| CNA-77516-XX (1/14)  | Defense Costs Outside the Limits Endorsement                                       |
| CNA-77517-XX (1/14)  | Public Relations Event Expenses Endorsement  |
| CNA-80749-XX (11/14) | Unlimited Extended Reporting Period Endorsement for Past Directors or Officers     |
| CNA-81751-XX (3/15)  | Cap on Losses from Certified Acts of Terrorism Endorsement                         |
| CNA-90997-XX (1/18)  | Immigration Claim Defense Costs Endorsement  |
| CNA-95307-XX (3/19)  | Workplace Violence Act Endorsement (with Sublimit)                                 |
| GSL-8393-XX (3/07)   | Remove Specified Peril   |
| GSL-8394-XX (3/07)   | Breach of Contract Defense Coverage with Sublimit Endorsement                      |
| GSL-11876-XX (2/10)  | Bi-Lateral Optional Extended Reporting Period Endorsement                          |
| GSL-40679-XX (8/11)  | Amend Settlement Endorsement   |
| GSL-40680-XX (8/11)  | Mediation Endorsement  |
| CNA-80748-XX (11/14) | First Dollar Defense Endorsement   |
| G-145127-A04 (6/03)  | Cancellation and Nonrenewal Endorsement - California                               |
| G-145129-A04 (6/03)  | Amendatory Changes - California  |
| G-145133-A (6/03)    | Amendment of Declarations - Addition of Crime Coverage                             |
| G-145172-A (6/03)    | Commercial Crime Coverage Part   |
| GSL-8400-XX (2/10)   | Amend Commercial Crime Coverage Part   |
| CNA-82731-XX (6/15)  | Money Orders and Counterfeit Paper Currency Coverage                               |
| CNA-82732-XX (6/15)  | Change From Loss Sustained To Loss Discovered Endorsement                          |
| CNA-82733-XX (6/15)  | Robbery and Safe Burglary Clarification Endorsement                                |
| CNA-82735-XX (6/15)  | Claims Expense Coverage For All Insuring Agreements Endorsement                    |
| CNA-85627-XX (5/16)  | Social Engineering Fraud Endorsement   |
| GSL-35080-XX (5/11)  | Include Designated Book Keepers and Accountants as Employees - Employee Theft Only |

These Declarations, along with the completed and signed **Application**, the Policy, and any written endorsements attached shall constitute the contract between the **Named Entity Insureds** and the Insurer.

Authorized Representative: \_\_\_\_\_



Date: \_\_\_\_\_

11/04/2019

AMENDMENT OF DECLARATIONS

In consideration of the premium paid for this Policy, it is understood and agreed that the following amendment is made part of your policy:

The following items of the **Declarations** are revised to include the following:

Item 3 of the declaration page is amended to include:

Additional Premium: \$644.00 plus taxes and/or surcharges.

All other terms and conditions of the Policy remain unchanged.

|                       |
|-----------------------|
| Must be Completed     |
| Endorsement No.: 20   |
| Policy No.: 618649009 |

|   |
|---|
| Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy. |
| Issued To: Fieldstone Owners Association  |
| Effective Date Of This Endorsement: 11/02/2019  |

*John S Brant*

Authorized Representative

**I. INSURING AGREEMENTS****1. Employee Theft**

The Insurer will pay the **Named Entity**, any **Subsidiary** and any **Plan** for loss of, and loss from damage to, Covered Property resulting directly from a Covered Cause of Loss.

- a. Covered Property: **Money, Securities, and Property Other Than Money and Securities.**
- b. Covered Cause of Loss: **Employee Theft.**

The Insurer will provide the following coverages to the **Named Entity** and any **Subsidiary**:

**2. Forgery or Alteration**

The Insurer will pay for loss involving Covered Instruments resulting directly from a Covered Cause of Loss.

- a. Covered Instruments: Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **Money** that are actually or purportedly:
  - (1) made or drawn by or drawn upon the **Named Entity** and any **Subsidiary**;
  - (2) made or drawn by one acting as an agent for the **Named Entity** and any **Subsidiary**
- b. Covered Cause of Loss: **Forgery or Alteration** of, on or in any Covered Instrument.
- c. Coverage Extension: If the **Named Entity** and any **Subsidiary** are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and the **Named Entity** and any **Subsidiary** have the Insurer's prior written consent to defend against the suit, the Insurer will pay for any reasonable legal expenses that the **Named Entity** and any **Subsidiary** incur and pay in that defense. The amount the Insurer will pay under this extension is in addition to the Limit of Insurance applicable to this Insuring Agreement and is not subject to the Retention.

Mechanically reproduced facsimile signatures shall be deemed handwritten signatures.

**3. Theft, Disappearance and Destruction**

The Insurer will pay for loss of Covered Property resulting directly from a Covered Cause of Loss.

- a. Section 1--Inside the Premises
  - (1) Covered Property: **Money and Securities** inside the **Premises** or a **Banking Premises.**
  - (2) Covered Causes of Loss:
    - (a) **Theft**
    - (b) Disappearance
    - (c) Destruction
  - (3) Coverage Extensions:
    - (a) Containers of Covered Property: The Insurer will pay for loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the **Premises** resulting directly from an actual or attempted:

- (i) **Theft** of, or
    - (ii) unlawful entry into,  
those containers.
  - (b) Premises Damage: The Insurer will pay for loss from damage to the **Premises** or its exterior resulting directly from an actual or attempted **Theft** of Covered Property if the **Named Entity** and any **Subsidiary** are the owner of the **Premises** or are liable for damage to it.
- b. Section 2--Outside the Premises
- (1) Covered Property: **Money** and **Securities** outside the **Premises** in the care and custody of a **Messenger**.
  - (2) Covered Causes of Loss:
    - (a) **Theft**
    - (b) Disappearance
    - (c) Destruction
  - (3) Coverage Extension:

The Insurer will pay for loss of Covered Property resulting directly from a Covered Cause of Loss while outside the **Premises** in the care and custody of an armored motor vehicle company. But the Insurer will pay only for the amount of loss that the **Named Entity** and any **Subsidiary** cannot recover:

    - (a) Under the **Named Entity** and any **Subsidiary's** contract with the armored motor vehicle company; and
    - (b) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

4. **Computer Fraud and Wire Transfer Communication Fraud**

The Insurer will pay for loss of, and loss from damage to, Covered Property resulting directly from a Covered Cause of Loss.

- a. Covered Property: **Money, Securities and Property Other Than Money and Securities**.
- b. Covered Cause of Loss: **Computer Fraud**.

It is a condition of coverage for loss from an account of the **Named Entity** and any **Subsidiary** at a banking institution that the **Named Entity Insureds** authorize, pursuant to written agreements with such banking institutions, the electronic or wire transfer of Covered Property at the **Named Entity** and any **Subsidiary's** request that:

- a. Contains a listing of the **Named Entity** and any **Subsidiary's Employees** who are authorized to initiate wire transfers;
- b. Requires that the banking institution verify by telephone conversation with the **Named Entity** and any **Subsidiary's** authorized **Employees** any electronic or wire transfer instructions communicated by the **Named Entity** and any **Subsidiary** other than:

- (1) **Prearranged Transfers**; or
- (2) transfers made through an automated teller machine,  
before transferring Covered Property;
- c. Requires the banking institution to confirm completed transfers in writing to the **Named Entity** and any **Subsidiary** within five working days; and
- d. Does not impair the **Named Entity** and any **Subsidiary's** right of action against the banking institution for any loss of Covered Property resulting from failure to exercise reasonable care or to comply with the **Named Entity** and any **Subsidiary's** communication instructions.

## II. DEFINITIONS

For purposes of this **Coverage Part**:

1. **Alteration** means the material modification of an original document by a person acting without authority and with intent to deceive.
2. **Banking Premises** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
3. **Computer Fraud** means:
  - a. **Theft** of Covered Property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the **Premises** or **Banking Premises** to a person (other than a **Messenger**) outside those **Premises** or to a place outside those **Premises**; and
  - b. **Theft** of **Money** or **Securities** following and directly related to use of written or verbal instructions which are purported to have been made by the **Named Entity Insureds**, to fraudulently cause an electronic transfer of that property from the **Banking Premises** to:
    - (i) another account, except an account controlled by the **Named Entity Insureds**, within the **Banking Premises**; or
    - (ii) a person (other than a **Messenger**) or place outside the **Banking Premises**.
4. **Custodian** means the **Named Entity Insureds**, any of their partners or any **Employee** while having care and custody of the property inside the **Premises**, excluding any person while acting as a **Watchperson** or janitor.
5. **Employee** means:
  - a. Any natural person while in **Named Entity's** or any **Subsidiary's** service (and for 30 days after termination of service), if **Named Entity** or any **Subsidiary** (i) compensates such natural person directly by salary, wages or commissions, and (ii) has the right to direct and control such natural person while performing services for the **Named Entity** or any **Subsidiary** ; or
  - b. Any natural person performing services for **Named Entity** or any **Subsidiary** on a leased, loaned, volunteer, non-compensated, temporary or part-time basis, but only while and to the extent such persons are subject to **Named Entity** or any **Subsidiary** direction and control and performing services for **Named Entity** or any **Subsidiary** , including but not limited to **Property Manager**; or

- c. With respect to any **Plan**:
- (i) A natural person who is a trustee, officer, employee or a manager, except an administrator or a manager who is an independent contractor; and
  - (ii) A natural person who is a director or trustee of the **Named Entity** or any **Subsidiary**, while handling funds or other property of the **Plan**.
- However, **Employee** does not mean any sponsor, developer, or developer of the **Named Entity** or any **Subsidiary**.
6. **Employee Theft** means the unlawful taking of Covered Property to the deprivation of the **Insured**, where such unlawful taking is committed by an **Employee** acting alone or in collusion with others.
7. **Forgery** means the signing of the name of another person or organization, including a facsimile signature, without authority and with intent to deceive; but it does not include a signature consisting in whole or in part of one's own name, signed with or without authority, in any capacity, for any purpose.
8. **Messenger** means an **Employee** of the **Named Entity Insureds**, or any of **Named Entity Insureds**' partners while having care and custody of the property outside the **Premises**.
9. **Money** means:
- a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
10. **Plan** means any of the **Named Entity's** or **Subsidiaries'** Employee Welfare or Pension Plan which is subject to the provisions of ERISA.
11. **Prearranged Transfer** means an electronic transfer which is part of a regular or scheduled series of electronic transfers, authorized by written agreement, to a designated banking institution specifying:
- a. the amount of Covered Property to be transferred; and
  - b. account number to be credited.
12. **Premises** means the interior of that portion of any building that the **Named Entity Insureds** occupy in conducting its business.
13. **Property Other Than Money and Securities** means any tangible property, other than **Money** or **Securities**, that has intrinsic value, but does not include any property listed in any **Crime Coverage Part** as property which is not covered.
14. **Securities** means negotiable and non-negotiable instruments or contracts representing either **Money** or other property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by the **Named Entity Insureds**; but does not include **Money**.
15. **Theft** means any act of stealing.



16. **Wire Transfer Communication Fraud** means **Theft** of Covered Property following and directly related to use of written or verbal instructions which are purported to have been made by you, to fraudulently cause an electronic transfer of that property from the **Banking Premises** to:
- another account, except an account controlled by you, within the **Banking Premises**; or
  - a person (other than a messenger) or place outside the **Banking Premises**.

### III. EXCLUSIONS

The Insurer shall not be liable to pay the following loss under this Crime Coverage Part:

- Acts committed by any sponsor, builder, or developer of the **Named Entity Insureds**, while acting in their capacity as a sponsor, builder or developer.
- Loss caused by any **Employee** by acts committed after the **Named Entity Insureds** or any of its directors or officers not in collusion with the **Employee** first learn of any dishonest act committed by the **Employee**, whether before or after becoming employed by the **Named Entity Insureds**.
- Loss resulting from seizure or destruction of property by order of governmental authority.
- Loss that is an indirect result of any Covered Cause of Loss including, but not limited to, loss resulting from:
  - The **Named Entity Insureds'** inability to realize income that **Named Entity Insureds** would have realized had there been no loss of, or loss from damage to, Covered Property.
  - Payment of damages of any type for which the **Named Entity Insureds** are legally liable. However, the Insurer will pay compensatory damages arising directly from a loss covered under this insurance.
  - Payment of costs, fees or other expenses that the **Named Entity Insureds** incur in establishing either the existence or the amount of loss under this insurance.
- Loss which is potential income, including but not limited to interest and dividends, not realized by the **Named Entity Insureds**.
- Fees and expenses related to any legal action, except as may be provided under Subsection c of Insuring Agreement 2.
- Loss resulting from any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that the **Named Entity Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to **Named Entity Insureds**, their security holders, or their creditors resulting from any of the aforementioned matters.
- Loss resulting from actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of **Fungi** or **Microbes**; or the actual, alleged or threatened failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of or in any way respond to, assess the effects of or advise of the existence of any **Fungi** or **Microbes**. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the losses claimed.
- Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

10. Under Insuring Agreement 1, loss caused by any **Employee** of the **Named Entity Insureds**, or predecessor in interest of the **Named Entity Insureds**, for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.
11. Under Insuring Agreements 1 and 4, loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
  - a. an inventory computation; or
  - b. a profit and loss computation.
12. Loss resulting from any dishonest or criminal act committed by any **Named Entity Insureds's Employees**, directors, trustees or authorized representatives:
  - a. acting alone or in collusion with other persons; or
  - b. while performing services for the **Named Entity Insureds** or otherwise

However, this exclusion does not apply to Insuring Agreement 1.

13. Under Insuring Agreement 3, loss resulting from accounting or arithmetical errors or omissions.
14. Under Insuring Agreement 3, loss resulting from the giving or surrendering of property in any exchange or purchase.
15. Under Insuring Agreement 3, loss from damage to the **Premises** resulting from fire, however caused.
16. Under Insuring Agreement 3, loss of property contained in any money operated device unless the amount of **Money** deposited in it is recorded by a continuous recording instrument in the device.
17. Under Insuring Agreement 3, loss of property after it has been transferred or surrendered to a person or place outside the **Premises** or **Banking Premises**:
  - a. On the basis of unauthorized instructions; or
  - b. As a result of a threat to do:
    - (1) Bodily harm to any person; or
    - (2) Damage to any property.

However, this exclusion does not apply under Section 2 of Insuring Agreement 3 to loss of Covered Property while outside the **Premises** or **Banking Premises** in the care and custody of a **Messenger** if the **Named Entity Insureds**:

- (i) Had no knowledge of any threat at the time the conveyance began; or
  - (ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
18. Under Insuring Agreement 3, loss from damage to the **Premises** or its exterior, to property, or to containers of Covered Property by vandalism or malicious mischief.
19. Under Insuring Agreement 3, loss resulting from the **Named Entity Insureds** or anyone acting on its express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**IV. OTHER CONDITIONS**

1. The property covered under this **Coverage Part** is limited to property:

- a. that the **Named Entity Insureds** own or hold; or
- b. for which the **Named Entity** is legally liable.

However, this Coverage Part is for the **Named Entity Insured's** benefit only. It provides no rights or benefits to any other person or organization.

2. Valuation -- Settlement:

a. Subject to the applicable Limit Of Insurance provision the Insurer will pay for:

(1) Loss of **Money** but only up to and including its face value. The Insurer may, at its option, pay for loss of **Money** issued by any country other than the United States of America:

- (a) At face value in the **Money** issued by that country; or
- (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) Loss of **Securities** but only up to and including their value at the close of business on the day the loss was discovered. The Insurer may, at the Insurer's option:

- (a) Pay the value of such loss of **Securities** or replace them in kind, in which event the **Named Entity** must assign to the Insurer all of the **Named Entity Insureds'** rights, title and interest in and to those lost **Securities**;
- (b) Pay the cost of any lost securities bond required in connection with issuing duplicates of the **Securities**. However, the Insurer will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the **lesser** of the:
  - (i) value of the **Securities** at the close of business on the day the loss was discovered; or
  - (ii) Limit of insurance.

(3) Loss of, or loss from damage to, **Property Other Than Money and Securities** or loss from damage to the **Premises** for not more than the:

- (a) actual cash value of the property on the day the loss was discovered;
- (b) cost of repairing the property or **Premises**; or
- (c) cost of replacing the property with property of like kind and quality.

The Insurer may, at the Insurer's option, pay the actual cash value of the property, or repair or replace it.

If the Insurer cannot agree with the **Named Entity Insureds** upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

b. The Insurer may, at its option, pay for loss of, or loss from damage to, **Property Other Than Money and Securities**:

- (1) in the **Money** of the country in which the loss occurred; or
  - (2) in the United States of America dollar equivalent of the **Money** of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- c. Any property that the Insurer pays for or replaces becomes the Insurer's property.
3. With respect to any **Plan** insured under this **Coverage Part** which is subject to the provisions of ERISA:
- a. If any **Plan** is insured jointly with any other entity under this **Coverage Part**, the **Named Entity** or the **Plan** Administrator must select a Limit of Insurance for the Employee Dishonesty Insuring Agreement that is sufficient to provide an amount of insurance for each **Plan** that is at least equal to that required if each **Plan** were separately insured.
  - b. If the first **Named Insured** in the Declarations is an entity other than a **Plan**, any payment made to that first **Named Insured** for loss sustained by any **Plan** will be held by that first **Named Insured** for the use and benefit of the **Plans** sustaining the loss.
  - c. If two or more **Plans** are insured under this Coverage Part any payment made for loss:
    - (1) Sustained by two or more **Plans**; or
    - (2) Of commingled funds or other property of two or more **Plans** that arises out of one occurrence, is to be shared by each **Plan** sustaining loss, in the proportion that the amount of insurance required for each such **Plan** under ERISA provisions bears to the total of those amounts.
  - d. No Retention applies to loss that is covered under Insuring Agreement 1 sustained by a **Plan**.
4. If two or more Insuring Agreements of this Coverage Part apply to the same loss, the Insurer will pay the lesser of:
- a. The actual amount of loss; or
  - b. The sum of the limits of insurance applicable to those Insuring Agreements.
5. If **Named Entity Insureds**, or any predecessor in interest, sustained loss during the period of any prior policy that it or the predecessor in interest could have recovered under that policy except that the time within which to discover loss had expired, Insurer will pay for it under this Policy, provided:
- a. This Policy became effective at the time of cancellation or termination of the prior policy; and
  - b. The loss would have been covered by this Policy had it been in effect when the acts or events causing the loss were committed or occurred.

The insurance under this condition is part of, not in addition to, the Limits of Insurance applying to this Policy and is limited to the lesser of the amount recoverable under:

- (1) This Policy as of its effective date; or
  - (2) The prior policy had it remained in effect.
6. If any loss is covered:

- a. Partly by this Policy; and
- b. Partly by any prior cancelled or terminated policy that Insurer or any affiliate had issued to **Named Entity Insureds** or any predecessor in interest;

the most Insurer will pay is the larger of the amount recoverable under this Policy or the prior policy.

7. **Named Entity Insureds** shall keep records of all Covered Property so Insurer can verify the amount of any **Crime Loss**.

**AMEND COMMERCIAL CRIME COVERAGE PART**

In consideration of additional premium paid, it is agreed the **Commercial Crime Coverage Part** is amended as follows:

1. Section I. INSURING AGREEMENTS, Insuring Agreement 2 **Forgery or Alteration** paragraph a. is deleted in its entirety and replaced as follows:

2. **Forgery or Alteration**

The Insurer will pay for loss involving Covered Instruments resulting directly from a Covered Cause of Loss.

a. Covered Instruments: Checks, drafts, promissory notes, credit card or similar written promises, orders or directions to pay a sum certain in **Money** that are actually or purportedly:

(1) made or drawn by or drawn upon the **Named Entity** and any **Subsidiary**;

(2) made or drawn by one acting as an agent for the **Named Entity** and any **Subsidiary**

2. Section II. DEFINITIONS, is amended as follows:

A. Definition 3. **Computer Fraud** is deleted in its entirety and replaced as follows:

3. **Computer Fraud** means:

a. **Theft** of Covered Property sustained directly by the **Named Entity**, any **Subsidiary** or **Plan** following and directly related to the use of any computer to fraudulently cause a transfer of that property to a person (other than a **Messenger**); and

b. **Theft** of **Money** or **Securities** sustained directly by the **Named Entity**, any **Subsidiary** or **Plan** following and directly related to use of written or verbal instructions which are purported to have been made by the **Named Entity Insureds**, to fraudulently cause an electronic transfer of that property from the banking institution to:

i. another account, except an account controlled by the **Named Entity Insureds**;; or

ii. person (other than a **Messenger**).

B. Definition 6. **Employee Theft** is deleted in its entirety and replaced as follows:

6. **Employee Theft** means the unlawful taking of Covered Property to the deprivation of the **Named Entity**, any **Subsidiary** or **Plan** where such unlawful taking is committed by an **Employee** acting alone or in collusion with others.

C. Definition 15. **Theft** is deleted in its entirety and replaced as follows:

15. **Theft** means the unlawful taking of **Money**, **Securities** and **Other Property** to the deprivation of the **Named Entity** or any **Subsidiary**.

3. Section III. EXCLUSIONS, Exclusion 11. is amended to add the following new language:

However, where it is established wholly apart from such computations that the **Named Entity Insureds** have sustained a loss covered under a covered loss, then the **Named Entity Insureds** may offer inventory records and an actual physical count of inventory in support of other evidences as to the amount of loss claimed.

4. Section IV. OTHER CONDITIONS, is amended as follows:

A. Paragraph 3. is deleted in its entirety and replaced as follows:

3. Solely with respect to any **Plan** insured under this **Coverage Part** which is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA),

a. If the first **Named Entity** is not a **Plan**, any payment for loss sustained by any **Plan** will be made jointly to the first **Named Entity** and to the **Plan** for the use and benefit of the **Plan** sustaining the loss.

b. If two or more **Plans** are insured under this insurance, any payment the Insurer makes for loss:

i. sustained by two or more **Plans** or

ii. of commingled funds or other property of two or more **Plans**

is to be shared by each **Plan** sustaining loss in the proportion that the amount of insurance required for each such **Plan** under ERISA provisions bears to the total of those amounts.

c. The retention applicable to Insuring Agreement 1 does not apply.

d. The first **Named Entity** must select a Limit of Insurance applicable to Insuring Agreement 1 that is at least equal to the minimum amount required by ERISA for any covered Employee Benefit Plans. If plans are insured jointly with any other entity under this Policy the Limit of Insurance must be at least equal to the minimum amount required by ERISA if each **Plan** were insured independently. If it is determined that the applicable Limit of Liability as set forth in the Declarations was less than the amounts required by ERISA on the effective date of this Policy, then, subject to the payment of any additional premium, the applicable Limit of Liability shall be amended to equal the minimum amount required by ERISA;

e. If, during the **Policy Period**, the **Plan** assets increase, resulting in a Limit of Insurance applicable to Insuring Agreement 1 that is less than the amount required under ERISA, then that Limit of Insurance will be automatically increased to a Limit of Insurance equal to the minimum limits required for that **Plan**.

B. The following new sections are added

- **Termination of Coverage as Respects Acts of Any Employee**

Coverage as respects any **Employee** is terminated:

a. immediately upon discovery by **Named Entity Insureds** or any partners, not in collusion with the **Employee**, of any dishonest act committed by that **Employee**:

i. while employed by the **Named Entity**, any **Subsidiary** or **Plan**; or

ii. prior to becoming employed by the **Named Entity**, any **Subsidiary** or **Plan**, provided dishonest acts committed prior to becoming employed by the **Named Entity**, any **Subsidiary** or **Plan**, resulted in a loss equal to or exceeding \$10,000.

b. on the date specified in the notice mailed to the **Named Entity**. That date will be at least 60 days after the date of mailing.

• All Crime Loss Resulting from a Single Act or Series of Acts

All Crime Loss resulting from a single act or series of acts, whether or not related:

- 1. whether involving a single person or a group of persons in collusion with others; and
- 2. whether on not involving a single instrument or multiple instruments; and
- 3. regardless of when such act or series of acts occurred,

will be treated as a single loss and the applicable Limit of Liability for this Crime Coverage Part will apply, subject to the Section IV. OTHER CONDITIONS, subparagraphs 5 and 6..

• When Loss Must be Sustained and Discovered

A. Subject to Section IV. OTHER CONDITIONS, subparagraphs 5 and 6, loss is covered under the Crime Coverage Part only if sustained prior to the cancellation or termination of the Policy Period and Discovered no later than one year from the expiration date of the Policy Period.

However, with respect to any Named Entity Insured who obtains any other insurance replacing in whole or in part the insurance afforded by this Crime Coverage Part, regardless of whether such insurance is obtained during or after the Policy Period, this extended period to Discover loss terminates immediately upon the effective date of such other insurance, whether or not such other insurance provides coverage for Loss sustained prior to its effective date.

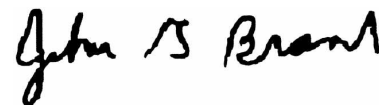
B. If this Crime Coverage Part or any of its Insuring Agreements is canceled or terminated as to any Named Entity Insured, a loss with respect to that Named Entity Insured is covered only if the loss was Discovered during the period of time set forth in paragraph A. above. However, this extended period to Discover Loss terminates as to such Named Entity Insured immediately upon the effective date of any other insurance obtained by that Named Entity Insured replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss or damage sustained prior to its effective date.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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|-----------------------|
| Must be Completed     |
| Endorsement No.: 21   |
| Policy No.: 618649009 |

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| Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy. |
| Issued To: Fieldstone Owners Association  |
| Effective Date Of This Endorsement: 11/02/2019  |



Authorized Representative



**MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY COVERAGE**

In consideration of the premium paid, it is understood and agreed the Policy is amended as follows:

I. **The Crime Coverage Part** is amended to add the following new Insuring Agreement:

**MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY**

The Insurer will pay for loss involving Covered Instruments resulting directly from the Covered Cause of Loss.

- a. Covered Instruments: United States or Canadian paper currency; post office, express company or national, state (or Canadian) chartered bank money orders; and national or state chartered bank cashier's checks.
- b. Covered Cause of Loss:
  - (1) Acceptance, in good faith, in exchange for merchandise, **Money** or services, of any post office, express company or bank money order issued or purported to have been issued by any post office, express company or national, state (or Canadian) chartered bank, if such money order is not paid upon presentation.
  - (2) Acceptance, in good faith, in exchange for merchandise, **Money** or services, of any bank cashier's check issued or purported to have been issued by any national or state chartered bank, if such cashier's check is not paid upon presentation, but this section applies only if the **Named Entity Insureds**
    - (a) Contact the issuing bank and verify that such cashier's check:
      - (i) Was, in fact, issued by the named bank;
      - (ii) Was issued to any payee indicated;
      - (iii) Continues to be valid and collectable; and
    - (b) Maintain a record of such verification.
  - (3) Acceptance, in good faith, in the regular course of business, of counterfeit United States or Canadian paper currency.

II. Solely with respect to the coverage provided by this Endorsement, the General Terms & Conditions, the section entitled **LIMIT OF LIABILITY/RETENTIONS** is amended to add the following:

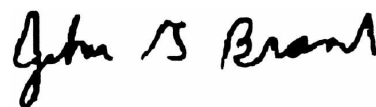
The most the Insurer will pay for any one loss with respect to the Insuring Agreement entitled **MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY** is \$250,000. The retention amount applicable to the Insuring Agreement entitled **MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY** is the same as the retention amount applicable to the Insuring Agreement entitled **Theft**, Disappearance and Destruction.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.

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| Must be Completed                            |
| Endorsement No.: 22<br>Policy No.: 618649009 |

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| Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy. |
| Issued To: Fieldstone Owners Association<br>Effective Date Of This Endorsement: 11/02/2019                            |



Authorized Representative

### CHANGE FROM LOSS SUSTAINED TO LOSS DISCOVERED ENDORSEMENT

In consideration of additional premium paid in the amount of \$16.00 it is understood and agreed the **Crime Coverage Part** is amended as follows:

I. The section entitled **OTHER CONDITIONS** paragraphs 5. and 6. are deleted in their entirety and replaced with the following:

Loss is covered under the **Crime Coverage Part** only if sustained by the **Named Entity Insureds** on or after the **Retroactive Date**, if any, and **discovered** during the **Policy Period** or no later than ninety (90) days (or one year with respect to any **Plan**) from the expiration date of the **Policy Period**. However, with respect to any **Named Entity** who obtains any other insurance replacing in whole or in part the insurance afforded by this **Crime Coverage Part**, regardless of whether such insurance is obtained during or after the **Policy Period**, this extended period to discover loss terminates immediately upon the effective date of such other insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

If this insurance replaces insurance that provided the **Named Entity** with an extended period of time after cancellation in which to discover loss and which did not terminate at the time this insurance became effective, the Insurer will not pay for any loss sustained by the **Named Entity** during the policy period of that prior insurance which is discovered by the **Named Entity** during the extended period to discover loss, and that prior Insurer has determined the loss is covered under the terms of their prior policy until:

- a. the prior insurer has paid their full applicable Limit of Liability under such prior policy and
- b. the Insurer has determined the loss is covered under the terms of this **Crime Coverage Part**;

In such case, the Insurer will pay for the excess loss subject to the terms and conditions of this **Crime Coverage Part**. If the prior insurer determines such loss is not covered under the terms of that prior insurance and the Insurer determines it is covered under the terms of this **Crime Coverage Part** the Insurer will pay for the part of if such loss which exceeds the applicable retention amount up to the applicable Limit of Liability for the applicable Insuring Agreement.

II. The section entitled **DEFINITIONS** is amended to add the following new definition:

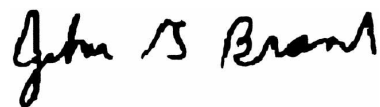
**Retroactive Date** means: Not Applicable

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.

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| Must be Completed     |
| Endorsement No.: 23   |
| Policy No.: 618649009 |

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| Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy. |
| Issued To: Fieldstone Owners Association  |
| Effective Date Of This Endorsement: 11/02/2019  |



Authorized Representative

**ROBBERY AND SAFE BURGLARY CLARIFICATION ENDORSEMENT**

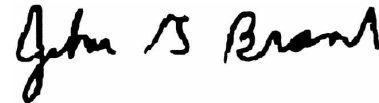
In consideration of the premium paid for this Policy, it is understood and agreed that solely with respect to (3) Coverage Extension of the Insuring Agreement titled **Theft**, Disappearance and Destruction of the **Crime Coverage Part** the applicable Covered Property is: **Money, Securities and Property Other Than Money and Securities.**

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.

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| Must be Completed                            |
| Endorsement No.: 24<br>Policy No.: 618649009 |

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| Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy. |
| Issued To: Fieldstone Owners Association<br>Effective Date Of This Endorsement: 11/02/2019                            |



Authorized Representative

CLAIMS EXPENSE COVERAGE FOR ALL INSURING AGREEMENTS ENDORSEMENT

In consideration of the additional premium in the amount of \$0.00 paid for this Policy, it is understood and agreed that the Crime Coverage Part is amended as follows:

I. The section entitled INSURING AGREEMENTS, is amended by the addition of the following new Insuring Agreement:

CLAIMS EXPENSE

The Insurer will also indemnify the Named Entity, any Subsidiary and any Plan for the reasonable and necessary expenses (excluding salary of Employees and costs normally associated with the operation of the Named Entity's, Subsidiary or Plan's business) incurred and paid by the Named Entity's, Subsidiary or Plan, with prior approval of the Insurer, in preparing any claim for a loss payable under any Insuring Agreement which exceeds the applicable retention for the applicable Insuring Agreement shown in Item 5. of the Declarations.

The most the Insurer will pay for Claims Expense coverage under this endorsement is limited to \$5,000 with respect to each Crime Loss. It is understood that such limit shall be part of and not in addition to the Crime Loss Limit of Liability for the Insuring Agreement which is applicable to the Loss as set forth in Item 5. of the Declarations.

II. Solely with respect to the coverage provided by this Endorsement, the section entitled EXCLUSIONS, exclusion 4.c. is deleted in its entirety.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 25, Policy No.: 618649009

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Fieldstone Owners Association, Effective Date Of This Endorsement: 11/02/2019

Handwritten signature: John S Brand

Authorized Representative

**SOCIAL ENGINEERING FRAUD ENDORSEMENT**

In consideration of the premium paid, it is understood and agreed the Policy is amended as follows:

- I. The **Commercial Crime Coverage Part** is amended to add the following new Insuring Agreement:

**SOCIAL ENGINEERING FRAUD INSURING AGREEMENT**

The Insurer will pay for loss of Funds resulting directly from the **Named Entity** and any **Subsidiary** having, in good faith, transferred **Funds** from its own account as a result of **Social Engineering Fraud** committed by a person, who is not, but purports to be:

- a. a **Vendor**; or
  - b. a member of the **Named Entity**,
  - c. an **Employee**, or.
  - d. a **Property Manager**.
- II. Solely with respect to the coverage provided by this Endorsement, the **Commercial Crime Coverage Part** section entitled **DEFINITIONS** is amended to add the following new definitions:

**Communication** means an electronic, telefacsimilie, telephone or written instruction received by the **Named Entity** and any **Subsidiary** that:

1. establishes or changes the method, destination or account for payment or delivery of **Funds**;
2. contains a misrepresentation of a material fact; and
3. is relied upon by any **Employee**, believing the material fact to be true.

**Funds** means **Money** on deposit in an account with a credit balance.

**Social Engineering Fraud** means the intentional misleading of an **Employee** through the use of a **Communication**.

**Vendor** means an entity or natural person that has provided goods or services to the **Named Entity** or any **Subsidiary** under a genuine, pre-existing:

1. written agreement; or
2. other arrangement.

**Vendor** does not mean any financial institution, asset manager, armored motor vehicle company, automated clearinghouse, custodian, or similar entity.

- III. Solely with respect to the coverage provided by this Endorsement, the General Terms & Conditions, the section entitled **LIMIT OF LIABILITY/RETENTIONS** is amended to add the following:

The most the Insurer will pay for any one loss with respect to the Insuring Agreement entitled **SOCIAL ENGINEERING FRAUD** is \$100,000. This amount is a sublimit which is part of and not in addition to the Scheduled Limit of Liability for the **Crime Coverage Part** set forth in Item 5. of the Declarations. The retention amount applicable to the Insuring Agreement entitled **SOCIAL ENGINEERING FRAUD** is \$2,500.

- IV. Solely with respect to the coverage provided by this Endorsement, the **Commercial Crime Coverage Part** the section entitled **EXCLUSIONS** is amended to add the following new exclusions:

- Loss as a result of loss any investment in securities, or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine;
- Loss due to the failure, malfunction, illegitimacy, inappropriateness, or inadequacy of any product or service;
- Loss as a result of the failure of any party to perform in whole or in part under any contract, provided that this exclusion shall not apply to any loss directly or indirectly resulting from **Social Engineering Fraud**;
- Loss which is due to any person or party's use of or acceptance of any credit, debit or charge card or similar card or instrument, whether or not genuine; or
- Loss resulting from any gambling, game of chance, lottery or similar game;
- Loss as a result of any actual, alleged or attempted kidnap or extortion or ransom demand; or
- Loss resulting from loss of or damage to **Money** or **Securities** while in the mail or in the custody of any carrier for hire, including but not limited to any armored motor vehicle company

V. Solely with respect to the coverage provided by this Endorsement, the section entitled **OTHER CONDITIONS** is amended to add the following new section:

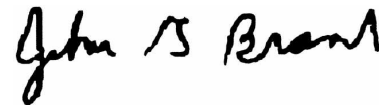
**Loss Covered Under the Social Engineering Insuring Agreement and Any Other Insuring Agreement**

Notwithstanding anything in the Policy to the contrary, in the event a loss is covered under the Insuring Agreement entitled Social Engineering Fraud and any other Insuring Agreement, such loss shall only be covered under the Insuring Agreement entitled Social Engineering Fraud and shall be excluded under any other Insuring Agreement.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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| Must be Completed                            | Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy. |
| Endorsement No.: 26<br>Policy No.: 618649009 | Issued To: Fieldstone Owners Association<br>Effective Date Of This Endorsement: 11/02/2019                            |



Authorized Representative

**INCLUDE DESIGNATED BOOK KEEPERS AND ACCOUNTANTS AS EMPLOYEES FOR EMPLOYEE THEFT ONLY**

In consideration of the premium paid for this Policy, it is understood and agreed that the Commercial Crime Coverage Part, Section II. **DEFINITIONS**, the definition of **Employee** is amended to add the following new language:

- **Employee** also includes any natural person or entity appointed, in writing by the **Named Entity** or any **Subsidiary**, to act as its agent in the capacity of bookkeeper or accountant, while acting on behalf of the **Named Entity** or any **Subsidiary**. The only covered cause of loss for such bookkeepers and accountants is **Employee Theft** as provided for in the **Employee Theft Insuring Agreement**.

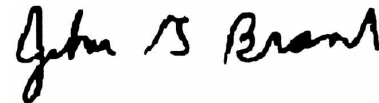
Each such bookkeeper or accountant and its partners, officers and employees are considered to be, collectively, one **Employee** for the purposes of the coverage under this endorsement.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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| Must be Completed     |
| Endorsement No.: 27   |
| Policy No.: 618649009 |

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| Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy. |
| Issued To: Fieldstone Owners Association  |
| Effective Date Of This Endorsement: 11/02/2019  |



Authorized Representative