

Public Service Insurance Company

One Park Avenue
New York, NY 10016-5807

COMMERCIAL UMBRELLA LIABILITY POLICY DECLARATIONS

Item One:

Producer Code: 0044043320

Bill Type: Direct Bill
ENDORSEMENT

Bill Plan: Full Pay

Policy Number: UM 010562

Mailing Address:

Eastern Gardens Cooperative, Inc.
800 Iron Point Rd
Folsom, CA 95630-9004

Producer and Mailing Address

Inszone Insurance Services
2701 Citrus Road
Suite C
Rancho Cordova, CA 95742
Tel. (916) 503-9500

The policy period is from **3/21/2015** to **3/21/2016** 12:01 A.M. Standard Time at your mailing address shown above.

Policy changes are effective **3/21/2015**.

Named Insured: Eastern Gardens Cooperative, Inc.

Form of Business: Corporation

Business Description: 112 Unit Apartment Complex

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

Item Two: Limit of Insurance

Each Occurrence: \$1,000,000

Self-Insured Retention: \$10,000

Each Occurrence of Offense not
Covered by Underlying Insurance

Aggregate Limit: \$1,000,000

Item Three: Schedule of Underlying Insurance: see Attached

Item Four: Premiums

Subject to a Minimum Premium of: \$1,000

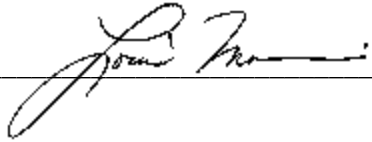
Total: \$1,282

"Certified Act of Terrorism" Premium: \$10

Total Annual Premium: \$1,292.00

Item Five: Forms and Endorsements Attached to this Policy: see Summary of Endorsements

Countersigned: _____

By:  _____

Authorized Representative

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Schedule of Policy Changes

Policy amended to apply updated terrorism forms.

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Extended Named Insured

Phantom View Ranch, Eastern Avenue Coopertive Inc., DBA

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Schedule of Locations

Location No.

1 3045 Eastern Avenue, Sacramento, CA 95821
(Buildings #1 to #12)

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Item Six:

Schedule of Underlying Insurance

Line of Business: General Liability
Carrier: Public Service Insurance Company
Policy No.: BW 019192
Policy Period: From 3/21/2015 to 3/21/2016
Locations: 1

Limits of Liability:

General Aggregate: \$2,000,000
Products/Completed
Operations Aggregate: \$1,000,000
Personal and
Advertising Injury: \$1,000,000
Each Occurrence: \$1,000,000

Line of Business: Auto Liability
Carrier: EXCLUDED
Policy No.:
Policy Period:
Locations: 1

Limits of Liability:

Bodily Injury
Each Person:
Each Accident:
Property Damage
Each Accident:
or
Combined Single
Limit:

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Line of Business: Employers Liability

Carrier: EXCLUDED

Policy No.:

Policy Period:

Locations: 1

Limits of Liability:

Bodily Injury
Each Accident:
Bodily Injury
By Disease
Policy Limit:
Bodily Injury
Each Employee:

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Summary of Endorsements

- CU4433 - Exclusion - Automobile Liability - (01/96)
- CU4408 - Exclusion - Employers Liability - (01/96)
- CU4451 - California Changes - Cancellation and Nonrenewal - (07/97)
- CU4403 - Contractual Liability Limitation - (01/96)
- CU4413 - Exclusion - Cross Suits - (01/96)
- CU4417 - Exclusion - Abuse or Molestation - (01/96)
- CU4418 - Limitation of Coverage to Designated Premises - (01/96)
Premises: 3045 Eastern Ave., Sacramento, CA 95821 (Buildings #1 to #12)
- CU4419 - Exclusion - Lead Poisoning - (01/96)
- CU4400 - Commercial Umbrella Liability Policy - (01/97)
- CU4453 - Year 2000 Computer Related and other Electronic Problems - (02/98)
- PSM 52 69 - Pathogenic Organisms - (11/02)
- PSM 5267 - Supplementary Payments - (08/02)
- PSM 5312 - Punitive Damages - (03/04)
- PSM 5324 - Criminal/Illegal Acts Exclusion - (03/04)
- PSM 6001 - Intra-Insured Exclusion - (07/09)
- CU 21 30 Cap On Losses from Certified Acts of Terrorism - (01/15)
- CU 21 36 Excl. of Punitive Damages Rel. to a Cert Act of Terrorism - (01/15)
- PSM 9902 - Policyholder Disclosure Notice Of Terrorism Coverage - (01/15)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM COVERAGE

The federal Terrorism Risk Insurance Act, as amended, establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. The Act provides that, to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals as part of an effort to coerce the government or population of the United States.

You should know that where coverage is provided by this policy for losses resulting from “certified acts of terrorism,” such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

You should also know that the Act, as amended, contains a \$100 Billion Cap that limits the United States Government reimbursement as well as insurers’ liability for losses resulting from “certified acts of terrorism,” when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

In accordance with the Act, we are required to offer you coverage for losses resulting from an act of terrorism that is certified under the federal program as an act of terrorism. The policy's other provisions will still apply to such an act. Your decision is needed on this question: do you choose to pay the premium for “certified acts of terrorism” coverage stated as a separate line item in the Declarations page of your policy, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer.

New Policies: Your policy will include coverage for “certified acts of terrorism”. If you choose to reject this offer, you should continue to pay bills as rendered to avoid an unnecessary cancellation notice. Please contact your agent/broker should you wish to reject this offer Upon

your request to reject, your policy will be endorsed to exclude the described coverage and the applicable credit will be applied to future billings or a refund will be remitted if your policy is paid in full.

Renewal Policies: We will renew your policy pursuant to your prior instructions of either accepting or rejecting coverage for terrorism. Please contact your agent/broker should you wish to make changes regarding coverage for terrorism on your renewal policy.

However, in Standard Fire Policy states (California, Georgia, Hawaii, Illinois, Iowa, Maine, Missouri, New Jersey, New York, North Carolina, Oregon, Rhode Island, Washington, Wisconsin and West Virginia), a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses following from an act of terrorism. Therefore, if you reject the offer of “certified acts of terrorism” coverage, that rejection does not apply to fire losses following from an act of terrorism – coverage for such fire following losses will be provided in your policy. If this is a renewal policy, coverage for such fire following losses will continue to be provided in your policy with the appropriate premium charge. The Declarations page of your policy will then be revised to state the premium due for Fire Following “Certified Acts of Terrorism” coverage.

PLEASE DISCUSS THIS DISCLOSURE WITH YOUR AGENT OR BROKER.

PSM 9902 (01-2015)