

# PSM Insurance Company

One Park Avenue  
New York, NY 10016-5807

## BUSINESSOWNERS DECLARATION

### ENDORSEMENT

**Policy Number: BW 019192**

#### 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.

**Business Description:** 112 Unit Apartment Complex

**Mortgage Holder Name and Address:** See attached Mortgage Holder information (if applicable)

**Form of Business:** Corporation

**Applicable Form:** Special

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.

**Description of Premises:** See attached

**Property:** See attached

**Deductible:** \$5,000

**Optional Coverage / Exterior Building Glass Deductible:** \$250

#### Liability and Medical Payments

Except for Fire Legal Liability, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Paragraph D.4. of the Businessowners Liability Coverage Form.

#### Limits of Insurance

|                                       |                    |                                  |
|---------------------------------------|--------------------|----------------------------------|
| <b>Liability and Medical Expenses</b> | <b>\$1,000,000</b> |                                  |
| <b>Medical Expenses</b>               | <b>\$5,000</b>     | <b>per person</b>                |
| <b>Fire Legal Liability</b>           | <b>\$100,000</b>   | <b>any one fire or explosion</b> |

**Optional Coverages :** See Summary of Endorsements

**Form(s) and Endorsement(s) made a part of this policy at time of issue:**

See Summary of Endorsements

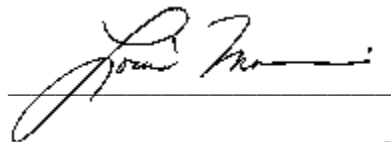
**Total: \$15,597.00**

**"Certified Act of Terrorism" Premium: \$140.00**

**Total Annual Premium: \$15,737.00**

Countersigned:

By: \_\_\_\_\_



Authorized Representative

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#### **Schedule of Policy Changes**

Policy amended to apply updated terrorism forms.

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### Description of Premises

| <u>Prem. No.</u> | <u>Bldg. No.</u> | <u>Location</u>  |
|------------------|------------------|--|
| 1                | 1                | 3045 Eastern Ave(Buildings #1 to #12), Sacramento, CA 95821-4201 |

### Property

| <u>Prem. No.</u> | <u>Bldg. No.</u> | <u>Limits of Insurance for Buildings</u> | <u>Automatic Increase Building Limit (%)</u> | <u>Limits of Insurance for Business Personal Property</u> |
|------------------|------------------|--|--|---|
| 1                | 1                | \$9,000,000                              | Not Applicable                               | \$20,000  |

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#### Mortgage Holder Information (Name and Address)

| <u>Prem. No.</u> | <u>Bldg. No.</u> |   |
|------------------|------------------|---|
| 1                | 1                | Berkadia Commercial Mortgage LLC, (See Free Form)<br>c/o Berkadia Commercial Mortgage, LLC<br>P.O. Box 1687<br>Horsham, PA 19044-6687<br>Loan # 101040724 |

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BP 0006 (01/97) Businessowners Liability Coverage Form  
BP 0009 (01/97) Businessowners Common Policy Conditions  
BP 0439 (01/96) Abuse Or Molestation Exclusion  
BP 1004 (04/98) Exclusion of Certain Computer-Related Losses  
BP 1005 (04/98) Excl. - Year 2000 Computer-Related and Other Elec. Problems  
IL 0270 (08/97) California Changes - Cancellation and Nonrenewal  
PSM 5174(05/99) Loss Payment Amendment  
PSM 7000 (6/00) Businessowners Enhancement Endorsement  
PSM 5267 (08/02) Supplementary Payments  
BP 0002 (01/97) Businessowners Special Property Coverage Form  
BP 0417 (01/96) Employment-Related Practices Exclusion  
PSM 52 68 (11/02) Pathogenic Organisms  
PSM 52 69 (11/02) Pathogenic Organisms  
PSM 5266 (03/04) Depreciation - Supplemental Definition  
PSM 5312 (03/04) Punitive / Exemplary Damages  
PSM 5314 (03/04) Collapse Limitation  
PSM 5315 (03/04) Deductible Amendment  
PSM 5321 (03/04) Back-up / Overflow Limitation  
PSM 5324 (03/04) Criminal / Illegal Acts Exclusion  
PSM 6001 (07/09) - Intra-Insured Exclusion  
BP 0564 (01/07) - Conditional Exclusion of Terrorism

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PSM 9902 (01/15) - Policyholder Disclosure Notice of Terrorism Coverage

#### Loc.

- 1 BP 0412 (01/87) Limitation of Coverage to Designated Premises  
Desc Of Premises: 3045 Eastern Ave., Sacramento, CA 95821 (Buildings #1 to #12)
- 1 PSM Schedule Free Form Not Premium Bearing  
Description: Mortgagee: Berkadia Commercial Mortgage LLC and the Assistant Secretary for Housing-Federal Housing Commissioner, DHUD, Washington D.C., his successors or assigns, as interest may appear.
- 1 BP 05 23 (01/15) - Cap on Losses from Certified Acts of Terrorism
- 1 BP 05 42 (01/15) - Excl. of Punitive Damage Rel. to a Cert. Act of Terr
- 1 PSM 5188 (7/99) Equipment Breakdown Coverage  
Contact Information: c/o FPI Property Mgmt (916) 357-5300

#### Loc. Bldg.

- 1 1 BP 0402 (01/87) Additional Insured - Managers or Lessors of Premises  
Name of Person or Organization: FPI Management Inc., All Owned or Managed Properties  
800 Iron Point Rd Folsom, CA 95630-9004
- 1 1 BP 0409 (01/87) Additional Insured - Mortgagee, Assignee, or Receiver  
Name of Person or Organization: Berkadia Commercial Mortgage LLC, (See Free Form)  
c/o Berkadia Commercial Mortga PO Box 1687 Horsham, PA 19044-6687  
Designation of Premises: 3045 Easter Ave., Sacramento, CA 95821 (12 bldgs) Loan #101040724

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- |   |   |   |
|---|---|---|
| 1 | 1 | BP 1203 (06/89) Loss Payable Provisions   |
|   |   | Provision Paragraph: Lenders Loss Payable   |
|   |   | Loss Payee: Berkadia Commercial Mortgage LLC,<br>PO Box 1687 Horsham, PA 19044-6687 |
|   |   | Description Of Property: Ln #101040724, Apartment                                   |
| 1 | 1 | Pool Coverage   |
|   |   | Number Of Pools: 1  |
| 1 | 1 | PSM 7001 (04/97) Lead Exclusion   |

**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:

### **BUSINESSOWNERS COVERAGE FORM**

The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

#### **A. CAP ON CERTIFIED TERRORISM LOSSES**

"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.

If 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.

- 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 loss or injury or damage that is otherwise excluded under this Policy.



**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:

### **BUSINESSOWNERS COVERAGE FORM**

The following provisions are added to the Businessowners Liability Coverage Form **BP 00 06** and **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

**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 Policy.

## **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)