The Hanover Insurance Group™

Hanover Executive Advantage Pro

Insurance Binder

Insured Information

Named Insured: WATERWOOD TOWNHOMES

Address: 1001 KRENEK TAP
COLLEGE STATION, TX 77840

Named Insured Contact:

Agency Information

Agency Name: FIRST CHOICE INS PARTNERS STE 201

Agency Code: 1602823

Agency Contact: Todd Carter

Insurer Information

Underwriter Contact: MELISSA LAHANN / MLAHANN@HANOVER.COM

Binder Inception Date: 09/28/2026

This Binder expires thirty (30) days from the Binder Inception Date or the date the Policy is issued, whichever is earlier.

Policy Number: BDD-M529527-00

Underwriting Company: Hanover Insurance Company

Conditions

Conditions:

This proposal is expressly subject to the conditions listed below. If such conditions are not met or information is not received, reviewed and accepted by the Insurer:

The Insurer fully reserves the right to amend the terms stated in the Coverage Details below;

The Insurer may take any and all action appropriate and allowed under state law, including but not limited to voiding ab initio and/or canceling this proposal; or

This proposal will automatically expire without further action or notice.

1. Signed, Dated and Fully Completed HOA application

Coverage Details

Policy Period:

Inception Date: 09/28/2026 Expiration Date: 09/28/2029

Coverage Parts Selection:

☐ Private Company Directors, Officers and Entity Liability
☐ Not-For-Profit Directors, Officers and Entity Liability
☐ Employment Practices Liability
☐ Fiduciary Liability
☒ Crime Insurance
☐ Kidnap and Ransom Insurance

Policy Aggregate Limit of Liability:

☐ Yes, the Policy Aggregate Limit of Liability for all **Claims** under all **Liability Coverage Parts** is:

Policy Aggregate Limit of Liability:

Premium, Taxes and Surcharges:

Year 1:	Premium:	$766.00
	Total:	$766.00
Year 2:	Premium:	$766.00
	Total:	$766.00
Year 3:	Premium:	$766.00
	Total:	$766.00

Please Note: Where no Limit of Liability is shown below, no coverage is afforded under this Policy. Any Coverage Extension Limit of Liability for which the Sublimit option is selected will erode and potentially exhaust the Coverage Part Aggregate Limit of Liability. All Retentions set forth below apply on a per **Claim** basis.

Crime Insurance		
I. Insuring Agreements:	**Limit of Liability:**	**Retention:**
A. Fidelity:		
1. Employee Theft	$1,000,000	$10,000
2. ERISA Fidelity	$1,000,000	$0
3. Client's Property	$1,000,000	$10,000
B. Forgery or Alteration	$1,000,000	$10,000
C. Premises Coverage	$1,000,000	$10,000
D. Transit Coverage	$1,000,000	$10,000
E. Computer Fraud	$1,000,000	$10,000
F. Funds Transfer Fraud	$1,000,000	$10,000
G. False Pretenses Fraud	$50,000	$10,000
H. Credit, Debit or Charge Card Fraud	$1,000,000	$10,000
I. Money Orders and Counterfeit Money	$1,000,000	$10,000
J. Personal Accounts Protection:		
1. Personal Accounts Forgery or Alteration	$0	$0
2. Identity Fraud Expense Reimbursement	$0	$0
II. Coverage Expenses:	**Limit of Liability:**	
A. Investigative Expenses	$25,000	None
B. Data Restoration Expenses	$150,000	None

Crime Insurance Coverage Part Premium: $2,298.00
(Does not include taxes/surcharges, if any)

Summary of Forms

Common Terms and Conditions

950-00200	07/24	Policy Declarations
950-00201	06/24	Schedule of Forms
999-00001 PHN	11/23	OFAC Notice
999-00002 PHN	11/23	Privacy Notice
950-00402TX PHN	06/24	Texas Inquiry Notice
950-00420 PHN	06/24	Notice of Terrorism Insurance Coverage
950-00001	06/24	Common Terms and Conditions
950-00300TX	06/24	Texas State Amendatory Endorsement
950-26005	06/24	Cap on Losses From Certified Acts of Terrorism

Crime Insurance

955-00001	06/24	Crime Insurance Coverage Part
955-01007	06/24	Telephone Toll Fraud Coverage
955-01015	06/24	Non-Cumulative Liability - Property Manager as Designated Agent
955-03009	06/24	Amend Definition of Employee - Specified Days After Termination
955-05001	06/24	Specified Loss Sustained Date
955-08001	06/24	Agent as Employee - Employee Theft Sublimit of Liability
955-08003	06/24	Condo and HOA Automatic Employee Theft Limit Increase

Titles and headings in this binder are solely for convenience and form no part of the terms and conditions of coverage. Please read all forms and endorsements carefully.

U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders

No coverage is provided by this policyholder notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this notice carefully.**

The Office of Foreign Assets Control ("OFAC") administers and enforces sanctions policy, based on Presidential Declarations of National Emergency.

OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site: http//www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated United States sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.

Other limitations on the premiums and payments also apply.

Consumer Privacy Notice

WHAT DOES THE HANOVER DO WITH YOUR PERSONAL INFORMATION?

Why?	At The Hanover Insurance Group ("The Hanover"), we are committed to protecting the privacy of the personal information that we collect or maintain. Financial companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal and state law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and may share to provide products and services to you include: ▪ Information you provide to us in your application ▪ Insurance claim history ▪ Information contained in consumer reports to the extent permitted by law We may share information we collect for permissible purposes.
How?	All financial companies need to share customers' personal information for permissible purposes to run their everyday business. When The Hanover shares personal information with a trusted service provider, The Hanover requires the service provider to have processes and procedures in place to protect the information. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons The Hanover chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does The Hanover share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies (for products and services not offered by The Hanover)	No	We don't share
For our affiliates' everyday business purposes to provide coverage and services to you— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes to provide coverage and services to you— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share
Questions?	Call [toll-free] **1-800-446-8379** or write to privacy@hanover.com	

Consumer Privacy Notice

Who we are	
Who is providing this notice:	This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - AIX Specialty Insurance Company - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Campmed Casualty & Indemnity Company, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Educators Insurance Agency, Inc. - Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company – The Hanover Atlantic Insurance Company Ltd - The Hanover Casualty Company - The Hanover Insurance Company – The Hanover National Insurance Company - Massachusetts Bay Insurance Company - NOVA Casualty Company - Opus Investment Management, Inc. - Verlan Fire Insurance Company.

What we do	
How does The Hanover protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state laws. These measures include computer and systems safeguards, secured files and buildings, firewall technology and the use of detection software. We have implemented processes and procedures to strengthen protection of our customer information. We limit access to your information to those employees who need access to do their job.
How does The Hanover collect my personal information?	We collect your personal information, for example, when you: ▪ Apply for insurance ▪ Pay insurance premiums or file insurance claims ▪ Provide account information ▪ Access our website We also collect your personal information from third parties, such as consumer reporting agencies and various state department of motor vehicles or similar agencies.
Why can't I limit all sharing?	Federal and state laws give you the right to limit only: ▪ Sharing for affiliates' everyday business purposes- information about your credit worthiness ▪ Affiliates from using your information to market to you ▪ Sharing for nonaffiliates to market to you State laws may give you additional rights to limit sharing. See below for more on your rights under state laws.
What happens when I limit sharing for an account I hold jointly with someone else?	Where "limit the sharing" is available, your choices will apply to everyone on your account.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial or nonfinancial companies. ▪ The Hanover affiliates are listed in this Consumer Privacy Notice.
Nonaffiliates	Companies not related by common ownership or control. They can be financial or nonfinancial companies. ▪ The Hanover does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

Consumer Privacy Notice

	▪ The Hanover does not jointly market.

Other important information

California: California residents can review our Privacy Policy for California Residents located at https://www.hanover.com/legal-and-compliance/privacy-center/hanover-insurance-group-privacy-policy#for-california-residents

New York: New York Insurance Law §2612 provides certain rights to victims of domestic violence, including privacy protections and protections from discrimination, each of which is described in the policy located at https://www.hanover.com/legal-and-compliance/privacy-policy/notice-protections-victims-domestic-violence-under-ss2612-new.

As mentioned above, The Hanover may share your personal information for our everyday business purposes—such as to process your transactions and claims, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.

The term "Information" means information we collect during an insurance transaction or other interactions you may have with us. We may share your Information with nonaffiliates without your prior authorization as permitted or required by law: for example, we may share your Information with insurance regulatory authorities, law enforcement, and re-insurers and consumer reporting agencies, among other insurance support organizations. Information we obtain from a report prepared by an insurance-support organization may be retained by the insurance-support operation and disclosed to others.

To request access to or deletion of your personal information, send a written letter to: The Hanover Insurance Group, Inc., c/o Chief Privacy Officer, 440 Lincoln Street N435, Worcester, MA 01653. Include your name, address, and your policy, contract, or account number, and describe the information you wish to access or delete. You may correct inaccurate personal information by visiting Hanover.com or calling your agent. We will respond to your request within the statutory timeline under your state statue. We cannot change information other companies, like credit agencies, provide to us. You will need to ask them to change it.

THIS POLICYHOLDER NOTICE IS ATTACHED TO THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS INQUIRY NOTICE

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company or HMO first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company or HMO. If you don't, you may lose your right to appeal.

The Hanover Insurance Company

To get information or file a complaint with your insurance company or HMO:

Call: Hanover Compliance Department
Toll-free: **1-800-446-8379**
Online: www.Hanover.com
Email: Complaints@hanover.com
Mail: The Hanover Insurance Company, 440 Lincoln Street, Worcester, MA 01653

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call with a question: **1-800-252-3439**
File a complaint: www.tdi.texas.gov
Email: ConsumerProtection@tdi.texas.gov
Mail: Consumer Protection, MC: CO-CP, Texas Department of Insurance, PO Box 12030, Austin, TX 78711-2030

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros o HMO. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de sucompañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

The Hanover Insurance Company

Para obtener información o para presentar una queja ante su compañía de seguros o HMO:

Llame a: Hanover Compliance Department
Teléfono gratuito: **1-800-446-8379**
En línea: www.Hanover.com
Correo electrónico: Complaints@hanover.com
Dirección postal: The Hanover Insurance Company, 440 Lincoln Street, Worcester, MA 01653

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: **1-800-252-3439**
Presente una queja en: www.tdi.texas.gov
Correo electrónico: ConsumerProtection@tdi.texas.gov
Dirección postal: Consumer Protection, MC: CO-CP, Texas Department of Insurance, PO Box 12030, Austin, TX 78711-2030

THIS POLICYHOLDER NOTICE DOES NOT FORM PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY.

NOTICE OF TERRORISM INSURANCE COVERAGE

Disclosure of Terrorism Coverage:

The **Insured** is hereby notified that, under the Terrorism Risk Insurance Act, as amended, this Policy makes available to the **Insured** insurance for losses arising out of certain acts of terrorism. Terrorism is defined as:

> Any act or acts that are 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; 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.

Disclosure of Federal Participation in Payment of Terrorism Losses:

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

Cap on Insurer Participation in Payment of Terrorism Losses:

If the aggregate of 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, the **Insurer** 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.

The portion of the **Named Insured's** Policy's annual premium that is attributable to insurance for such acts of terrorism is: $ **0.00**.

If the **Insured** has any questions about this notice, please contact your agent or broker.

TABLE OF CONTENTS

I.	Preface	2
II.	Titles and Headings	2
III.	Definitions	2
IV.	Role of the named insured	6
V.	Limit of Liability and Retention	6
VI.	Defense and Settlement	7
VII.	Extended Reporting Period	8
VIII.	Reporting	8
IX.	Notice	9
X.	Allocation	9
XI.	Related Claims	10
XII.	Priority of Payments	10
XIII.	Subrogation	10
XIV.	Legal Proceedings	10
XV.	Change in Control or Exposure	11
XVI.	Other Insurance	12
XVII.	Presumption of Indemnification	12
XVIII.	Termination of Policy	12
XIX.	Bankruptcy	13
XX.	Foreign Jurisdiction Conditions	13
XXI.	Valuation and Foreign Currency	14
XXII.	Conformance to Law and Trade Sanctions	14
XXIII.	Spouses, Domestic Partners, Estates and Legal Representatives	14
XXIV.	Representations and Severability of the Application	14
XXV.	State Amendatory Discrepancy	15

© The Hanover Insurance Company. All Rights Reserved.

Subject to the Policy terms and conditions, the Liability Coverage Parts provide coverage on a CLAIMS-MADE basis with Defense Expenses included in the Limit of Liability. Please read the Policy carefully to determine rights, duties, coverage and coverage restrictions.

In consideration of the premium paid, in reliance upon the statements in the **Application** and subject to the Policy Declarations, limitations, conditions, definitions and other provisions of this Policy, including endorsements hereto, the **Insurer** and the **Insureds** agree as follows:

I. PREFACE

The Common Terms and Conditions of this Policy shall apply to all Coverage Parts except when limited to specific Coverage Part(s) by endorsement. Unless stated to the contrary in any Coverage Part, the terms and conditions of each Coverage Part of this Policy shall apply only to that Coverage Part and shall not apply to any other Coverage Part of this Policy. If any provision in this Common Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Part, the terms and conditions of such Coverage Part shall control for purposes of that Coverage Part. Bolded terms in the Policy will have the special meaning stated in the definitions. Any defined term referenced in this Common Terms and Conditions and also defined in a Coverage Part shall, for purposes of coverage under that Coverage Part, have the meaning stated in that Coverage Part, unless otherwise stated.

II. TITLES AND HEADINGS

The titles and headings in this Policy are solely for convenience and form no part of the terms and conditions of coverage.

III. DEFINITIONS

Application means:

A. Any portion of an application given to the **Insurer** for this Policy including any attachments, written information and materials provided to the **Insurer** by or on behalf of an **Insured** for the purposes of the **Insurer's** underwriting of this Policy; and

B. Any warranty provided to the **Insurer** within the past three years in connection with any coverage part with the exception of the **Non-Liability Coverage Part(s)**, or policy of which this Policy is a renewal or replacement.

Board Observer means any natural person formally designated or invited to act as an observer at formal board meetings or committee meetings of the duly elected or appointed directors of an **Insured Entity** pursuant to a written agreement with such **Insured Entity**, but only if the **Insured Entity** has indemnified such **Board Observer** as director or officer of the **Insured Entity**.

Breach Notice Law means any state, federal or foreign statute or regulation that requires notice to persons, whose **Personal Information** is accessed or may reasonably have been accessed by an unauthorized person.

Change in Named Insured Control means an acquisition transaction of the **Named Insured** due to:

A. Another individual, entity or group of individuals or entities acquiring more than fifty percent (50%) of the assets of the **Named Insured**;

B. Another individual, entity or group of individuals or entities acquiring more than fifty percent (50%) of the outstanding securities representing the right to vote or voting rights for the election of directors, members of the Board of Managers or management committee members of the **Named Insured**;

C. The **Named Insured** consolidating or merging with another entity and the **Named Insured** is not the surviving entity; or

D. The **Named Insured** emerging from bankruptcy, as of the effective date stated in the plan of reorganization.

Claim shall have the meaning as defined in the applicable Coverage Part.

Computer System means any computer or computer network including hardware, software, telephone system, firmware and **Data** stored thereon, as well as associated input and output devices, **Data** storage devices, networking equipment and storage area network or other **Data** backup facilities.

© The Hanover Insurance Company. All Rights Reserved.

Cyber Extortion Threat shall have the meaning as defined in the applicable Coverage Part.

Cyber Security Breach means the failure, unauthorized access or violation of the **Insured's** computer security (including entry of an unauthorized application or software program, an impairment or denial of service attack) on the **Insured Entity's** computer system or on the computer system of a service provider of the **Insured Entity** by any entity or natural person.

Data means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a **Computer System** including relate electronic instructions which direct the operations and functions of a **Computer System**.

De Facto Director means a natural person formally designated or invited to act as a "de facto" director (including shadow director) of an **Insured Entity** pursuant to a written agreement with such **Insured Entity**, but only if the **Insured Entity** has indemnified such **De Facto Director** as director or officer of the **Insured Entity**.

Defense Expenses shall have the meaning as defined in the applicable Coverage Part.

Digital Currency means a digital or electronic medium of exchange in which encryption techniques are used to regulate the generation of units and to verify the transfer of such units and is used and accepted as a means of payment.

Employment Claim shall have the meaning as defined in the applicable Coverage Part.

Entity Executive means Chief Executive Officer, Chief Financial Officer, Head of Human Resources, in-house General Counsel, risk manager, Executive Director, any person with the responsibility for the management of insurance claims, or any equivalent position of an **Insured Entity.**

Executive means any natural person who is, was, or shall become:

A. A duly elected or appointed director, shadow director, advisory committee member, officer, manager, in-house general counsel, in-house compliance officer, governor, regent, or trustee of the **Insured Entity**;

B. A duly elected or appointed manager or member of a Board of Managers of a Limited Liability Company, boards, committees or other units operated under the **Insured Entity's** charter or with the **Insured Entity's** written approval;

C. A member of an Advisory Board of an **Insured Entity** if such person is granted indemnification by the **Insured Entity** to the fullest extent permitted by common or statutory law to the same extent as any duly elected or appointed director or officer of the **Insured Entity**.

D. A **De Facto Director** or **Board Observer** of the **Insured Entity**, but only if the **Insured Entity** has indemnified such **De Facto Director** or **Board Observer** as director or officer of the **Insured Entity**.

E. Any person holding an equivalent position to those described in A. and B. above in any **Insured Entity** incorporated, formed or organized anywhere in the world.

Financial Insolvency means, with respect to an **Insured Entity** or **Outside Entity**:

A. The appointment of a receiver, conservator, liquidator, rehabilitator, trustee or similar official, or creditors committee to take control of, supervise, manage or liquidate the **Insured Entity** or **Outside Entity**;

B. Such **Insured Entity** or **Outside Entity** becoming a debtor in possession under the United States bankruptcy law or the foreign equivalent; or

C. The inability of such **Named Insured** or **Outside Entity** to financially indemnify an **Insured Individual**.

Independent Contractor means any natural person who is working on behalf of an **Insured Entity** pursuant to a written contract or agreement.

Foreign Jurisdiction means any jurisdiction, other than the United States of America.

Insured shall have the meaning as defined in the applicable Coverage Part.

Insured Entity means the **Named Insured** and any **Subsidiary** including any entity acting in its capacity as the debtor in possession under the United States Bankruptcy Code, Chapter 11, or its foreign equivalent.

Insured Individual shall have the meaning as defined in the applicable Coverage Part.

Insurer means the entity issuing this Policy as designated in the Policy Declarations.

© The Hanover Insurance Company. All Rights Reserved.

Liability Coverage Part means individually or collectively: the Private Company Directors, Officers and Entity Liability, Not-for-Profit Directors, Officers and Entity Liability, Employment Practices Liability and Fiduciary Liability Coverage Parts, if purchased and as set forth in Item 9. of the Policy Declarations.

Loss shall have the meaning as defined in the applicable Coverage Part.

Named Insured means the entity set forth in Item 1. of the Policy Declarations.

Non-Indemnifiable Loss means **Loss** other than **Loss** under the Fiduciary Liability Coverage Part or the Employment Practices Liability Coverage Part, which an **Insured** becomes legally obligated to pay and for which the **Insured Individual** is not indemnified by the **Named Insured** either because the **Named Insured** is not permitted by statutory or common law to grant such indemnification or because of the **Financial Insolvency** of the **Named Insured**.

Non-Liability Coverage Part means individually or collectively the Crime Insurance Coverage Part and Kidnap and Ransom Coverage Part, if purchased and as set forth in Item 9. of the Policy Declarations.

No Liability means with respect to a **Claim** made against the **Insured**:

A. A final judgment of no liability obtained prior to the trial, in favor of all **Insureds**, by reason of a motion to dismiss or a motion for summary judgment; or

B. A final judgment of no liability obtained at the conclusion of the trial, in favor of all **Insureds**, after the exhaustion of appeals.

In no event shall the term **No Liability** apply to a **Claim** made against an **Insured** for which a settlement has occurred.

Outside Capacity means service by an **Insured Individual** as any director, officer, trustee, regent, governor, manager or member of the Board of Managers including any equivalent executive position of any of the foregoing, in an **Outside Entity**, but solely during the time that such service is with the knowledge and express consent of an **Insured Entity**.

Outside Entity means:

A. Any nonprofit entity described in sections 501(c)3; 501(c)4; 501(c)7; or 501(c)10 of the Internal Revenue Code of 1986, as amended;

B. Any other entity, partnership, joint venture or organization scheduled by endorsement to this Policy; or

Solely with respect to Not-For-Profit Directors, Officers and Entity Liability coverage part:

C. Any other entity organized for a religious or charitable purpose under any nonprofit organization act or statute that is not an **Insured Entity**.

Personal Information means non-public data or a non-public record that is under the **Insured's** care, custody or control or is owned by the **Insured**, for which an **Insured** is legally liable and is intended by an **Insured** to be accessible only by natural persons or entities it has specifically authorized to have such access, that is:

A. A natural person's non-public personally identifiable information as defined in applicable federal, state, local or foreign legislation or regulations including but not limited to a person's name, email address, social security number, unpublished telephone number, unpublished personally identifiable photos or videos, Internet browsing history, biometric records, driver's license number or other personal identification number (including an employee identification number or student identification number);

B. Financial account number (including a bank account number, retirement account number or healthcare spending account number);

C. Credit, debit or payment card numbers;

D. Information related to employment by an **Insured**;

E. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or

F. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended.

Policy Period means the period of time from the inception date shown in Item 2. of the Policy Declarations to the earlier of the expiration date shown in Item 2. of the Policy Declarations or the effective date of termination of this Policy.

© The Hanover Insurance Company. All Rights Reserved.

Pollutants means any solid, liquid, including gasoline, propane, or mercury, gaseous, including carbon monoxide, ammonia, or hydrogen sulfide, or thermal irritants or contaminants, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, including perfluoroalkyl and polyfluoroalkyl substances (PFAS), nuclear radiation, lead, bacteria, virus, asbestos, and other industrial waste materials and all substances specifically listed, identified, or described by one or more of the following references: Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Priority List Hazardous Substances (1997 and all subsequent editions), Agency for Toxic Substances And Disease Registry ToxFAQs™, and/or U.S. Environmental Protection Agency EMCI Chemical References Complete Index. Substances identified as examples above or by the referenced lists include materials to be discarded, recycled, reconditioned or reclaimed.

Privacy Policy means that part of any internal or publicly accessible written document that sets forth the **Insured Entity's** policies, standards and procedures for disclosure, collection, storage, protection, use, correction or supplementation, sharing, deletion, distribution or sale of **Personal Information**. It is understood that **Privacy Policy** also includes any policies, standards and procedures the **Insured** is explicitly required to have in such a **Privacy Policy** as required by any **Privacy Law** that applies to an Individual alleging a **Privacy Violation.**

Privacy Law any foreign, federal, state or local ordinance, rule, law, regulation or statute used to impose liability in connection with the disclosure, collection, storage, protection, use, correction or supplementation, sharing, distribution or sale of **Personal Information**.

Privacy Violation means:

A. The **Insured Entity's** failure to protect **Personal Information** pursuant to the requirements of a **Privacy Law**;

B. The **Insured Entity's** failure to timely disclose an incident or event triggering a violation of a **Breach Notice Law**; or

C. Failure by the **Insured** to comply with a **Privacy Policy** that results in a **Claim** or loss including any part that:

   1. Prohibits or restricts the **Insured Entities** disclosure, sharing or selling of an individual's **Personal Information**; or

   2. Requires the **Insured Entity** to provide access to **Personal Information**, delete **Personal Information** or to correct incomplete or inaccurate **Personal Information** after a request is made by an individual;

   3. Requires the **Insured Entity** to inform an employee about **Personal Information** usage and to gain consent of such employee prior to collecting or using such **Personal Information**; or

   4. Mandates procedures and requirements to prevent the loss of **Personal Information**.

Related Claims means all **Claims** based upon, arising from or in any way related to the same facts, circumstances, situations, transactions, results, damage or events or the same series of facts, circumstances, situations, transactions, results, damage or events.

Related Wrongful Act means **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event, result, injury or decision.

Subsidiary means:

A. Any entity in which an **Insured Entity** owns or controls more than fifty percent (50%) of the outstanding securities representing the right to vote or voting rights for election of or to appoint directors, trustees, managers, member of the Board of Managers or equivalent positions of such entity which are owned or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**; or

B. Any entity while:

   1. Exactly fifty percent (50%) of the securities representing the right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity which are owned, or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**; and

   2. The **Named Insured**, pursuant to a written contract with the owners of the remaining and outstanding voting stock of such entity, solely controls the management and operation of such entity; or

C. Any foundation or charitable trust while such entity is controlled by the **Named Insured**.

Coverage shall apply to a **Subsidiary** only during the time it qualifies as a **Subsidiary**.

However, with respect to the Not-for-Profit Directors, Officers and Entity Coverage Part (if purchased), **Subsidiary** shall not include any for-profit entity or chapter of the **Named Insured** unless added by endorsement.

 © The Hanover Insurance Company. All Rights Reserved.

Third Party Claim shall have the meaning as defined in the applicable Coverage Part.

Wrongful Act shall have the meaning as defined in the applicable Coverage Part and shall include **Related Wrongful Acts**.

IV. ROLE OF THE NAMED INSURED

By accepting this Policy, the **Named Insured** agrees that it is authorized to, and will act on behalf of all **Insureds** with respect to any rights provided under this Policy and each **Insured** agrees that the **Named Insured** shall act on its behalf with respect to all such matters.

V. LIMIT OF LIABILITY AND RETENTION

With respect to the **Liability Coverage Parts**:

A. Policy Aggregate Limit of Liability

1. If the Policy Aggregate Limit of Liability in Item 8. of the Policy Declarations is elected, the amount stated shall be the **Insurer's** maximum liability for all **Loss** during the **Policy Period** arising from all **Claims** under one or more **Liability Coverage Parts** combined. However, any **Loss** paid under a **Liability Coverage Part** shall not exceed the respective Coverage Part Aggregate Limit of Liability stated in Item 9. of the Policy Declarations.
2. If the Policy Aggregate Limit of Liability in Item 8. of the Policy Declarations is not elected, the **Insurer's** maximum liability for all **Loss** during the **Policy Period** arising from all **Claims** under each **Liability Coverage Part** shall not exceed the respective Coverage Part Aggregate Limit of Liability stated in Item 9. of the Policy Declarations.

B. Coverage Part Aggregate Limit of Liability

1. Subject to Section V.A. above, the **Insurer's** maximum liability for all **Loss** during the **Policy Period** arising from all **Claims** under each Coverage Part shall not exceed the Coverage Part Aggregate Limit of Liability for such Coverage Part stated in Item 9. of the Policy Declarations.
2. Subject to Section V.A. above, if any Coverage Part Aggregate Limit of Liability is designated as being shared with another Coverage Part Aggregate Limit of liability, as stated in Item 9. of the Policy Declarations, then the **Insurer's** Limit of Liability for each Shared Coverage Part shall be part of, and not in addition to, all other Shared Coverage Parts and shall reduce and may completely exhaust the Shared Coverage Part Aggregate Limit of Liability for each shared Coverage Part.

C. Coverage Extension Limit of Liability

1. Subject to Section V.A. above, the **Insurer's** maximum limit of liability for all **Loss** arising from all **Claims** covered by a Coverage Extension afforded under a Coverage Part stated in Item 9. of the Policy Declarations during the **Policy Period** shall not exceed the applicable Coverage Extension Limit of Liability stated in Item 9. of the Policy Declarations.
2. If a particular Coverage Extension is designated as being a Sublimit in Item 9. of the Policy Declarations, then such amount is part of, and not in addition to the Coverage Part Aggregate Limit of Liability of such Coverage Part as stated in Item 9. of the Policy Declarations.

D. Multiple Coverage Parts

If a **Claim** or **Related Claim** is covered by more than one Coverage Part, then the maximum amount payable shall not exceed the largest applicable Coverage Part Aggregate Limit of Liability of all applicable Coverage Parts in Item 9. of the Policy Declarations. However, this provision shall not apply to any Limit provided by any Coverage Extension noted in Item 9. if such Coverage Extension is not designated as a Sublimit in Item 9. of the Policy Declarations for such corresponding Coverage Part and Coverage Extension.

E. Retention

1. The **Insurer's** liability under each Coverage Part, Insuring Agreement, or Coverage Extension applies only to that part of covered **Loss** which is in excess of the applicable Retentions stated in Item 9. of the Policy Declarations for each respective Coverage Part, Insuring Agreement or Coverage Extension. Such Retentions shall be considered uninsured amounts and borne by the **Insureds** at their own risk. Noncovered

© The Hanover Insurance Company. All Rights Reserved.

loss shall not apply towards satisfaction of the Retention. No Retention shall apply to any Securityholder Derivative Demand Investigation Coverage Extension on the Directors, Officers and Entity Liability Coverage Part.

2. One Retention shall apply to covered **Loss** resulting from each **Claim**. If different parts of a **Claim** are subject to different Retentions in different policies issued by The Hanover Insurance Company or different Executive Advantage Pro Coverage Parts, Insuring Agreements or Coverage Extensions, the applicable Retentions will be applied separately to each part of such **Claim,** but the sum of such Retentions shall not exceed the largest applicable Retention.
3. No retention shall apply to any **Loss** incurred by an **Insured Individual** if such **Loss** cannot be indemnified by an **Insured Entity** because such **Insured Entity** is not permitted by common or statutory law to indemnify, or is permitted or required to indemnify, but is unable to do so by reason of **Financial Insolvency.**
4. If an **Insured Entity** is permitted or required by common or statutory law to indemnify an **Insured Individual** for any applicable Retention, but refuses or fails to do so and such refusal or failure is not by reason of **Financial Insolvency**, then the **Insurer** will advance the amount of any applicable Retention that would otherwise be covered under the applicable **Liability Coverage Part** on behalf of such **Insured Individual** and will be subrogated to the rights of such **Insured Individual** pursuant to Section XIII. Subrogation for the purposes of recovering such Retention amount from the **Insured Entity**.

   The **Insured Entity's** failure or refusal to indemnify such **Insured Individual** will be deemed to have occurred if the **Insured Entity** has neither paid such Retention on behalf of the **Insured Individual**, nor acknowledged its obligation to do so, within sixty (60) days of the **Insured Individual's** written demand to the **Insured Entity** for indemnification or payment of such Retention.
5. No Retention shall apply to any **Claim** in the form of a civil proceeding for monetary relief, in which:
   a. There is a determination of **No Liability**; or
   b. The **Claim** is dismissed or stipulated dismissed without prejudice and without any payment of any consideration by any **Insured.**

   If there is a determination of **No Liability** in a **Claim**, the **Insurer** shall reimburse the **Defense Expenses** paid by the **Insured** in such **Claim**. The **Insurer** shall reimburse the **Defense Expenses** paid by the **Insured** in such **Claim** ninety (90) days after the date of the dismissal or stipulation if:
   c. A **Related Claim** is not brought again within such ninety (90) day period; and
   d. The **Insured Entity** provides the **Insurer** with written documentation in a form satisfactory to the **Insurer** to repay such reimbursement in the event a **Related Claim** is brought again after such ninety (90) day period and before the expiration of the statute of limitations for such **Claim**.

VI. DEFENSE AND SETTLEMENT

With respect to the **Liability Coverage Parts**:

A. The **Insurer** shall have the exclusive right and duty to defend any **Claim** covered by the applicable **Liability Coverage Part(s)** regardless of whether any allegation contained therein is groundless, false or fraudulent, including the right to select defense counsel from the **Insurer's** current list of approved firms for the jurisdiction where the **Claim** is pending. However, if an **Insured** is entitled under applicable law to select defense counsel, then such defense counsel shall comply with the **Insurer's** customary panel rates and established litigation guidelines regarding billing, staffing and reporting. The **Insurer** has no duty to defend any **Claim** or pay **Defense Expenses** for **Claims** to which this insurance does not apply;

B. The **Insurer's** right and duty to defend any **Claim** and pay any **Loss**, including **Defense Expenses** covered under the applicable **Liability Coverage Part(s)** shall cease upon the exhaustion of any applicable **Liability Coverage Part(s)** Aggregate Limit of Liability shown in Item 9. of the Policy Declarations or the exhaustion of the Policy Aggregate Limit of Liability shown in Item 8. of the Policy Declarations, if any;

C. The **Insureds** shall provide all information and assistance in connection with any **Claim**, shall cooperate with the **Insurer** in the investigation, defense and settlement of any **Claim**, and will refrain from any actions that may prejudice the **Insurer's** ability to investigate, defend, settle the **Claim**, or interfere with the **Insurer's** potential or actual rights of recovery under the applicable **Liability Coverage Part(s)**. However, solely with respect to Insuring Agreement I.A. Individual Non-Indemnified Liability, of the Directors, Officers and Entity Liability

© The Hanover Insurance Company. All Rights Reserved.

Coverage Part, the failure of any **Insured Individual** to give the **Insurer** such information, assistance, or cooperation shall not impair the rights of any other **Insured Individual**;

D. No **Insured** shall settle or offer to settle any **Claim**, voluntarily make any payment, assume any obligation, or incur any **Defense Expenses** related to a **Claim** without the **Insurer's** prior written consent. The **Insured** agrees to consult with the **Insurer** to resolve any differences relating to such settlement;

E. The **Insurer** may make any investigation it deems necessary and settle any **Claim** subject to the **Named Insured's** written consent to settle which shall not be unreasonably withheld;

F. The **Insurer** shall not seek repayment from an **Insured Individual** of any **Defense Expenses** paid by the **Insurer** that are deemed uninsured pursuant to Exclusion IV.A.3. Conduct in applicable **Liability Coverage Parts**, unless the applicable determination standard set forth in such exclusion has been met;

G. If the **Insurer** is prevented by law or otherwise unable to defend or investigate a **Claim** brought outside the United States, the **Insured** under the **Insurer's** supervision may arrange for the investigation, appointment of counsel and defense of such **Claim**. Subject to the applicable Limit of Liability and retention, the **Insurer** will reimburse the **Insured** for any reasonable and necessary **Defense Expenses** for such **Claim**; and

H. Solely with respect to the Employment Practices Liability Coverage Part, if any **Insured** refuses to consent to the settlement of any **Claim** which the **Insurer** recommends and which is acceptable to the claimant, subject to the applicable Limit of Liability or Retention, the **Insurer's** liability for all **Loss** from such **Claim** shall not exceed:

1. The amount the **Insurer** would have contributed to the settlement including **Defense Expenses** incurred up to the date of such refusal; and
2. Eighty percent (80%) of such **Loss** in excess of the amount for which the **Claim** would have been settled.

VII. EXTENDED REPORTING PERIOD

With respect to the **Liability Coverage Parts**:

A. If the **Insurer** or the **Named Insured** terminates or does not renew any **Liability Coverage Part**, other than termination by the **Insurer** for nonpayment of premium or due to a **Change in Named Insured Control**, then the **Named Insured** shall have the right to purchase an Extended Reporting Period for any **Liability Coverage Part** beginning on the effective date of the termination or non-renewal of any **Liability Coverage Part**.

B. The **Named Insured** must provide a written request for the Extended Reporting Period including payment of the additional premium within ninety (90) days following the effective date of the termination or non-renewal of this Policy or any Coverage Part as applicable. Additional premium paid shall be deemed fully earned as of the first day of the Extended Reporting Period and the Extended Reporting Period may not be cancelled. Any additional premium will be determined in accordance with the rules, rates and rating plans the **Insurer** then has in effect in the **Named Insured's** state based on the annual premium of the **Named Insured's** applicable **Liability Coverage Part** or Policy in effect at the time of purchase or as stated in Item 3. of the Policy Declarations.

C. If an Extended Reporting Period is purchased, then coverage as provided by the applicable **Liability Coverage Part(s)** shall be extended to **Claims** first made during such Extended Reporting Period and reported pursuant to Section VIII. Reporting of this Common Terms and Conditions, but only if such **Claims** are for **Wrongful Acts** which occurred entirely prior to the effective date of the termination or non-renewal of the applicable **Liability Coverage Part**. The **Named Insured** only has a right to purchase one Extended Reporting Period per **Liability Coverage Part**. The Extended Reporting Period does not change the respective Coverage Part Aggregate Limit of Liability or the Policy Aggregate Limit of Liability as such Limits available during the Extended Reporting Period are part of, and not in addition to the remaining Coverage Part Limit of Liability of such applicable **Liability Coverage Part** as stated in Item 9. of the Policy Declarations and the remaining Policy Aggregate Limit of Liability stated in Item 8. of the Policy Declarations.

VIII. REPORTING

With respect to the **Liability Coverage Parts**:

A. An **Insured** shall provide the **Insurer** with written notice as soon as practicable after the **Entity Executive** becomes aware of a **Claim**, but in no event later than:

© The Hanover Insurance Company. All Rights Reserved.

1. Ninety (90) days after the effective date of expiration or termination; or
2. The expiration date of the Extended Reporting Period, if applicable.

However, if the **Insurer** sends written notice to the **Named Insured** stating that this Policy is being terminated for nonpayment of premium, an **Insured** shall give the **Insurer** written notice of such **Claim** prior to the effective date of such termination.

B. Notwithstanding paragraph A. immediately above, solely with respect to an **Employment Claim** under the Employment Practices Liability Coverage Part, which is brought as an administrative or regulatory proceeding commenced by the receipt of charges, investigative order or similar document an **Insured** shall give written notice during the **Policy Period** or, if applicable, no later than:

1. One hundred eighty (180) days after the end of the **Policy Period**, if the Employment Practices Liability coverage part is renewed;
2. Ninety (90) days after the effective date of expiration or termination, if the Employment Practices Liability coverage part is not renewed with the **Insurer** and no Extended Reporting Period is purchased; or
3. The expiration date of the Extended Reporting Period, if elected.

C. With respect to the Fiduciary Liability Coverage Part, if any **Compliance Resolution Notice** is provided during the **Policy Period**, then any **Claim** subsequently arising from such **Compliance Resolution Notice** shall be deemed to have been made in the **Policy Period** in which the **Compliance Resolution Notice** was first provided.

D. If during the **Policy Period**, or an applicable Extended Reporting Period, an **Entity Executive** becomes aware of an act or circumstances that may subsequently give rise to a **Claim** and gives the **Insurer** notice of such act or circumstances, then any **Claim** subsequently arising from such circumstances shall be deemed made against the **Insured** during the **Policy Period** in which the circumstances were first reported to, and accepted by, the **Insurer** provided that any such subsequent **Claim** is reported to the **Insurer** in accordance with paragraph A. above.

E. An **Insured** must give to the **Insurer** the assistance, information and cooperation the **Insurer** may require and shall include in any notice of a **Claim**, or circumstances of a potential **Claim**, a description of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature and amount of alleged or potential damage, the names of actual or potential claimants, the identity of the **Insureds** allegedly involved, and the manner in which the **Insured** first became aware of the **Claim**, circumstances or alleged **Wrongful Act**.

F. Notice of a **Claim** or a potential **Claim** must be provided pursuant to Item 5. of the Policy Declarations.

Non-Liability Coverage Parts shall have their own reporting and discovery requirements. See their respective coverage parts.

IX. NOTICE

Notice to the **Insurer** of any **Claim**, **Compliance Resolution Notice** or circumstances under any **Liability Coverage Part** or any notice under any **Non-Liability Coverage Part** shall be deemed notice under the Policy in its entirety.

All notices to the **Insurer** under this Policy of any **Claim**, **Compliance Resolution Notice** or circumstances under any **Liability Coverage Part** or notice under any **Non-Liability Coverage Part** shall be deemed notice under the Policy in its entirety and shall be given in writing to the **Insurer** at the address shown in Item 5. of the Policy Declarations.

X. ALLOCATION

With respect to the **Liability Coverage Parts**:

If an **Insured** incurs **Loss** on account of any **Claim** and such **Claim** includes both covered and non-covered matters, coverage with respect to such **Claim** shall apply as follows:

A. One hundred percent (100%) of **Defense Expenses** on account of the **Claim** will be considered covered **Loss** provided that this shall not apply to any **Insured** for whom coverage is excluded pursuant to Section XXIV. Representations and Severability of the Application and Exclusion IV.A.10. Employment Practices, stated on the Directors, Officers and Entity Coverage Part; and

© The Hanover Insurance Company. All Rights Reserved.

B. The **Insurer** shall fairly allocate all remaining loss that an **Insured** incurred on account of such **Claim** between covered **Loss** and uncovered loss based upon the relative legal exposure of the parties to such matters.

XI. RELATED CLAIMS

With respect to the **Liability Coverage Parts** all:

Claims and **Related Claims** based upon, arising out of or in any way related to the same **Wrongful Act** or **Related Wrongful Acts** shall be deemed to be a single **Claim** first made on the earlier of:

A. The date on which the earliest such **Claim** was first made regardless of whether such date is before or during the **Policy Period**;

B. The first date of any notice of circumstances which was given for any such **Wrongful Act** by an **Insured** to the **Insurer** under this Policy pursuant to Section VIII.D. Reporting; or

C. The first date of any notice of circumstances which was given for any such **Wrongful Act** by an **Insured** to any other insurer under any other similar policy of which the Policy is a direct or indirect renewal or replacement.

All such **Claims** and **Related Claims** are subject to the Limits of Liability, Retention and all other terms and conditions applicable to the earliest **Claim**. In no event shall an individual lawsuit or proceeding constitute more than one **Claim**.

XII. PRIORITY OF PAYMENTS

If **Loss** arising from any **Claim** covered by any **Liability Coverage Part** exceeds the remaining available Limit of Liability as stated in Item 9. of the Policy Declarations then the **Insurer** shall:

A. First pay **Loss** for such **Claim** that is a **Non-Indemnifiable Loss** for such Coverage Part or any **Loss** for which coverage is due to an **Insured Individual** or **Benefit Plan** under the Fiduciary Liability Coverage Part; and then

B. To the extent any remaining amount of the applicable Limit of Liability remains available, after payment under A. above, the **Insurer** will pay **Loss** for such **Claim** as provided by such **Liability Coverage Part**.

Except as otherwise provided in this Section XII. Priority of Payments, the **Insurer** may pay **Loss** as it becomes due without regard to the potential for other future payment obligations under the **Liability Coverage Parts**.

XIII. SUBROGATION

In the event of any payment under this Policy, the **Insurer** shall be subrogated to the extent of such payment to all of the **Insured's** rights of recovery. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**, and shall do nothing to prejudice or compromise such rights without the **Insurer's** express written consent.

XIV. LEGAL PROCEEDINGS

A. No individual or entity has a right under this Policy to join the **Insurer** as a party or otherwise bring the **Insurer** into a suit asking for damages from an **Insured** or to sue the **Insurer** on this Policy unless all of its terms have been fully complied with.

B. An individual or entity may sue the **Insurer** to recover on an agreed settlement or on a final judgment against an **Insured** but the **Insurer** will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by the **Insurer**, the **Insured** and the claimant or the claimant's legal representative.

© The Hanover Insurance Company. All Rights Reserved.

XV. CHANGE IN CONTROL OR EXPOSURE

A. Acquisition of the Named Insured

If during the **Policy Period** the **Named Insured** experiences a **Change in Named Insured Control** then the applicable coverage under this Policy with respect to:

1. **Liability Coverage Parts**:

   a. Shall continue until the termination or expiration of the **Policy Period** but only for **Claims** for a **Wrongful Act** which occurs prior to the transaction date of the **Change in Named Insured Control**; and;

   b. The **Named Insured** shall have a right to purchase an Optional Run-Off Period for the period as stated in Item 4. of the Policy Declarations. Any such Optional Run-Off Period for any Coverage Part shall begin on the effective date of the **Change in Named Insured Control**.

   The **Named Insured** must provide a written request for the Optional Run-Off Period including payment of the additional premium, as stated in Item 4. of the Policy Declarations within ninety (90) days of the **Change in Named Insured Control**. Additional premium paid shall be deemed fully earned as of the effective date of the Optional Run-Off Period and the Optional Run-Off Period may not be cancelled.

   If an Optional Run-Off Period is purchased, then coverage as provided by each such Coverage Part shall be extended to **Claims** first made during such Optional Run-Off Period and reported pursuant to Section VIII. Reporting of the Common Terms and Conditions, but only if such **Claims** are for **Wrongful Acts** which occurred entirely prior to the effective date of the **Change in Named Insured Control**. The Optional Run-Off Period does not change the respective Coverage Part Aggregate Limit of Liability or the Policy Aggregate Limit of Liability as such Limits available during the Optional Run-Off Period are part of, and not in addition to the remaining Coverage Part Aggregate Limit of Liability of such Coverage Part as stated in Item 9. of the Policy Declarations and the remaining Policy Aggregate Limit of Liability stated in Item 8. of the Policy Declarations.

2. **Non-Liability Coverage Parts** shall terminate as of the transaction date of the **Change in Named Insured Control**.

The **Named Insured** shall notify the **Insurer** of the **Change in Named Insured Control** as soon as practicable but no later than ninety (90) days after the effective date of the transaction and provide such additional information as the **Insurer** requires.

B. Cessation of Subsidiaries

If before or during the **Policy Period** an **Insured Entity** ceases to be a **Subsidiary** then coverage for such **Subsidiary** and its **Insureds** shall continue until termination or expiration of this **Policy Period** but only for **Claims** for **Wrongful Acts** prior to the date such entity ceased to be a **Subsidiary**.

C. Acquisition of Another Organization

1. With respect to the **Liability Coverage Parts**:

   If before or during the **Policy Period** the **Insured Entity** acquires the voting rights of another entity such that the acquired entity becomes a **Subsidiary,** then coverage for such **Subsidiary** and its **Insureds** shall be provided but only for **Claims** for **Wrongful Acts** after the date such entity became a **Subsidiary**.

   If during the **Policy Period** the **Insured Entity** acquires another entity and at the time of such acquisition the entity becomes a **Subsidiary** (or would have but for its absorption into the **Insured**) and the total revenue of the acquired entity exceeded thirty five percent (35%) of the total revenues of the **Insured Entity** (or, with respect to Not-for-Profit **Insureds**, thirty-five percent (35%) of the total assets of the **Insured Entity**) as of the beginning of the **Policy Period**, then the **Named Insured** shall give the **Insurer** full details of the transaction including written notice of such consolidation, merger, purchase or acquisition within ninety (90) days of the transaction date and agree to any amendments to the terms of this Policy, including, but not limited to, any additional premium the **Insurer** may require.

2. With respect to the **Non-Liability Coverage Parts**:

   If before or during the **Policy Period** the **Insured Entity** acquires the voting rights of another entity such that the acquired entity becomes a **Subsidiary,** then coverage for such **Subsidiary** and its **Insureds** shall be provided but only for loss sustained by the **Insured** after the date such entity became a **Subsidiary**.

© The Hanover Insurance Company. All Rights Reserved.

If during the **Policy Period** the **Insured Entity** acquires another entity and at the time of such acquisition the entity becomes a **Subsidiary** (or would have but for its absorption into the **Insured**) and the total revenues of the acquired entity exceeded thirty five percent (35%) of the total revenues of the **Insured Entity** as of the beginning of the **Policy Period**, then the **Named Insured** shall give the **Insurer** full details of the transaction including written notice of such consolidation, merger, purchase or acquisition within ninety (90) days of the transaction date and agree to any amendments to the terms of this Policy, including, but not limited to, any additional premium the **Insurer** may require.

There shall be no coverage for an acquired entity unless the **Insured** fully complies with the terms of Section XV.C. Acquisition of Another Organization.

XVI. OTHER INSURANCE

A. With respect to the **Liability Coverage Parts**:

If other valid and collectible insurance (other than a policy that is issued specifically as excess of any Coverage Part of this Policy) is available to the **Insured** for **Loss** covered under this Policy, then the insurance provided by this Policy shall be excess of such other insurance or indemnification provided to an **Insured Entity**, regardless of whether or not such insurance is primary, contributory, excess, contingent or otherwise or whether such indemnification is actually made.

If a **Claim** is made against a leased or temporary employee or **Independent Contractor**, that portion of such **Loss** payable under any Coverage Part shall be excess of, and not contribute to, any other valid and collectible insurance (other than a policy that is issued specifically as excess of such Coverage Part) regardless of whether or not such insurance is stated to be primary, contributory, excess, contingent or otherwise.

With respect to an **Executive** serving in an **Outside Capacity**, the Directors, Officer and Entity Coverage Part will be excess of any insurance or indemnification available to such **Executive** by or on behalf of an **Outside Entity**.

However, this Policy shall be primary to any personal umbrella excess liability insurance purchased by an **Insured Individual**.

B. **Non-Liability Coverage Parts** shall have their own Other Insurance conditions. See their respective coverage parts.

XVII. PRESUMPTION OF INDEMNIFICATION

If an **Insured Entity**, or **Outside Entity** fails or refuses to indemnify an **Insured Individual** for **Loss** to the fullest extent permitted by the **Insured Entity's** or **Outside Entity's** by-laws or through statutory or common law, other than by reason of its **Financial Insolvency**, then any payment by the **Insurer** of such **Loss** shall be excess of the applicable retention as set forth in Item 9. of the Policy Declarations. Such failure or refusal to indemnify shall be constituted in part by written notice by the **Insured Entity** to the **Insured Individual** within sixty (60) days of the request to indemnify by the **Insured Individual**. In no event shall any such payment by the **Insurer** relieve any **Insured Entity** of any duty it may have to provide indemnification to any **Insured Individual**.

XVIII. TERMINATION OF POLICY

This Policy will terminate upon:

A. Twenty (20) days after mailing by the **Insurer** of a written notice of termination to the **Named Insured** based upon nonpayment of premium, unless such premium is paid within such twenty (20) day period;

B. Receipt by the **Insurer** of written notice of termination from the **Named Insured**;

C. Expiration of the **Policy Period**; or

D. A date agreed upon by the **Insurer** and the **Named Insured**.

© The Hanover Insurance Company. All Rights Reserved.

XIX. BANKRUPTCY

Bankruptcy of an **Insured** shall not relieve the **Insurer** of its obligations under this Policy.

In the event a liquidation or reorganization proceeding is commenced by or against an **Insured Entity** under United States bankruptcy law or any equivalent body of law in a **Foreign Jurisdiction**, the **Insured Entity** and the **Insured Individuals** hereby agree not to oppose or object to any efforts by the **Insurer**, the **Insured Entity** or an **Insured Individual** to obtain relief from any stay or injunction.

XX. FOREIGN JURISDICTION CONDITIONS

A. Coverage Territory

1. With the exception of the Kidnap and Ransom Insurance Coverage Part, this Policy applies anywhere in the world.
2. Solely with respect to the Kidnap and Ransom Insurance Coverage Part, Coverage shall extend to the Kidnap and Ransom Insurance Territory stated in the Kidnap and Ransom Insurance portion in Item 9. of the Policy Declarations.

B. Defense and Settlement in a Foreign Jurisdiction

With respect to the **Liability Coverage Parts**:

1. If **Loss** is incurred by the **Insured Entity** or a **Subsidiary** in a **Foreign Jurisdiction** in which the **Insurer** is not licensed to provide this insurance, then such **Loss** shall be paid to the **Named Insured**. All payments or reimbursements for **Loss** made by the **Insurer** to the **Insured Entity** or a **Subsidiary** in a **Foreign Jurisdiction** in which the **Insurer** is not licensed to provide this insurance will be made in the equivalent amount of United States currency at the prevailing daily interbank rate of exchange as published in *The Wall Street Journal* on the date the **Insured** became legally obligated to pay such sums pre-tax without regard to tax consequences. The **Insurer** will not be liable for any differential or financial burden due to tax liability on the payment.
2. If **Non-Indemnifiable Loss** is incurred by an **Insured Individual** of a **Subsidiary** in a **Foreign Jurisdiction** in which the **Insurer** is not licensed to provide this insurance, then such non-indemnifiable **Loss** shall be paid to such **Insured Individual** in a jurisdiction mutually acceptable to such **Insured Individual** and the **Insurer** to the extent permissible by law in such **Foreign Jurisdiction**. All payments or reimbursements for **Loss** made by the **Insurer** to the **Insured Individual** of a **Subsidiary** in a **Foreign Jurisdiction** in which the **Insurer** is not licensed to provide this insurance will be made in the equivalent amount of United States currency at the prevailing daily interbank rate of exchange as published in *The Wall Street Journal* on the date the **Insured Individual** became legally obligated to pay such sums with regard to tax consequences. The **Insurer** will be liable for any differential or financial burden due to tax liability on the payment to the **Insured Individual**.

C Difference in Conditions

This insurance applies on a difference in conditions basis when there is other primary insurance that:

1. Is issued in a **Foreign Jurisdiction**;
2. Is intended to apply to **Claims** made or brought in a **Foreign Jurisdiction**; and
3. Provides coverage, in whole or in part, for the same **Loss** covered by this insurance.

When this insurance applies on a difference in conditions basis, the **Insurer** will pay the difference between:

4. The amount the **Insurer** would have paid under this insurance if no other insurance was available; and
5. The amount the **Insured** is entitled to under the terms and conditions of the other insurance the **Insured** has for the same **Claim**, whether the **Insured** can collect or not.

© The Hanover Insurance Company. All Rights Reserved.

XXI. VALUATION AND FOREIGN CURRENCY

A. With respect to **Liability Coverage Parts**:

All premiums, Limits, Retentions, and other amounts are expressed and payable in the currency of the United States of America. If a judgment is rendered, a settlement is denominated or another element of loss under this Policy is stated in a currency other than the United States of America dollars, then payment under this Policy shall be made in United States of America dollar equivalent determined by the rate of exchange published in the *Wall Street Journal* on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.

B. **Non-Liability Coverage Parts** shall have their own valuation and foreign currency requirements. See their respective coverage parts.

XXII. CONFORMANCE TO LAW AND TRADE SANCTIONS

This insurance does not apply to the extent that:

A. Trade or economic sanctions or other similar laws or regulations prohibit the **Insurer** from providing insurance; or

B. The provision of such insurance by the **Insurer** would violate the local laws or regulations of the country in which insurance is being sought by the **Insured**.

The terms of this Policy which are in conflict with the statutes of the state in which this Policy is issued are amended to conform to those statutes.

XXIII. SPOUSES, DOMESTIC PARTNERS, ESTATES AND LEGAL REPRESENTATIVES

Solely with respect to the **Liability Coverage Parts**, coverage shall extend to **Claims** for the **Wrongful Acts** of an **Insured Individual** made against:

A. A lawful spouse or domestic partner, as defined under any applicable federal, state or local law, of an **Insured Individual** solely by reason of such person's status as spouse or domestic partner or such person's ownership interest in property which the claimant seeks as recovery from an **Insured Individual**;

B. The estate, heirs, legal representatives or assigns of an **Insured Individual** if such **Insured Individual** is deceased, legally incompetent, insolvent or bankrupt.

Coverage shall not apply to **Loss** for **Claims** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by an **Insured Individual's** spouse, domestic partner, heir, estate, legal representative or assigns.

XXIV. REPRESENTATIONS AND SEVERABILITY OF THE APPLICATION

A. With respect to the **Liability Coverage Parts**:

1. The declarations and statements in the **Application** for this Policy are the **Insured's** representations and the **Insurer** has relied on such representations when issuing this Policy. The **Application** shall be construed as a separate application by each **Insured Individual**. No statement in the **Application**, fact pertaining to, or knowledge possessed by any **Insured Individual** shall be imputed to any other **Insured Individual**. The **Insurer** shall not be entitled to void or rescind this Policy with respect to any **Insured**.

2. If the **Application** contains any misrepresentations made with the intent to deceive or contains misrepresentations which materially affect the acceptance of the risk or the hazard assumed by the **Insurer** under this Policy, then no coverage shall be afforded for any **Claim** based upon, arising from, or inconsequence of, any such misrepresentation with respect to:

   a. Any **Executive** who knew of such misrepresentation (whether or not such individual knew such **Application** contained such misrepresentations) or any **Insured Entity** to the extent it indemnifies any such **Insured Individual**; or

© The Hanover Insurance Company. All Rights Reserved.

b. Any **Insured Entity** if any past or present Chief Executive Officer, In-House General Counsel, President, Chairman of the Board or Chief Financial Officer (or any equivalent position) of the **Insured Entity** knew of such misrepresentation (whether or not such individual knew such **Application** contained such misrepresentation.)

B. With respect to **Non-Liability Coverage Parts**:

The declarations and statements in the **Application** are representations and the **Insurer** has relied on such representations when issuing this Policy. Any claim based upon, arising out of or in connection with any misrepresentation, omission, concealment, untruthful, inaccurate, or incomplete statement of a material fact in the **Application** or otherwise shall be excluded from coverage.

XXV. STATE AMENDATORY DISCREPANCY

In the event there is a discrepancy between a state amendatory endorsement attached to this Policy and any term or condition of this Policy, if permitted by law and the public policy of the state of domicile of the **Named Insured**, the **Insurer** shall apply those terms and conditions which are more favorable to the **Insured**.

© The Hanover Insurance Company. All Rights Reserved.

The Hanover Insurance Group™

Endorsement

Issued To: WATERWOOD TOWNHOMES
Issued By: Hanover Insurance Company
Policy Number: BDD-M529527-00

Endorsement Number: 2708993
Effective Date: 09/28/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Common Terms and Conditions (and all Coverage Parts as purchased)

TEXAS STATE AMENDATORY ENDORSEMENT

In consideration of the premium charged it is agreed that:

A. The Common Terms and Conditions is amended as follows:

1. Section VIII. Reporting, the last paragraph of Subsection A. is deleted and replaced with:

   However, if the **Insurer** sends written notice to the **Named Insured** stating that this Policy is being terminated for nonpayment of premium, an **Insured** shall give the **Insurer** written notice of such **Claim** no later than thirty (30) days after the effective date of such termination.

2. Section XVIII. Termination of Policy, Subsection A. is deleted and replaced with:

   A. Twenty (20) days after the receipt by the **Named Insured** of a written notice of termination from the **Insurer** for any reason if the Policy is a new Policy and has been in effect for sixty (60) days or less; or

      Twenty (20) days after the receipt by the **Named Insured** of a written notice of termination from the **Insurer** if the Policy has been in effect for more than sixty (60) days and only for the reasons listed below:

      1. Fraud in obtaining coverage;
      2. Failure to pay premium when due, unless such premium is paid within such twenty (20) day period;
      3. An increase in hazard within the control of the **Insured** that would produce a rate increase;
      4. Loss of the **Insurer's** reinsurance covering all or part of the risk covered by the Policy; or
      5. If the **Insurer** is placed in supervision, conservatorship, or receivership and the cancellation or nonrenewal is approved or directed by the supervisor, conservator, or receiver.

3. Section XVIII. Termination of Policy is amended to include:

   This Policy may be non-renewed by the **Insurer** by sending written notice to the **Named Insured** not less than sixty (60) days prior to the expiration of the **Policy Period**.

   Notice of termination or nonrenewal will be mailed with a statement of the specific reason for termination or nonrenewal and shall be sent to the **Named Insured** at the address shown on the Policy.

   The **Insurer** will not cancel or refuse to renew this Policy based solely on the fact that the **Insured** is an elected official.

B. The Crime Insurance Coverage Part, if purchased, is amended as follows:

   Section VII. Discovery and Proof of Loss, Subsection B. is deleted and replaced with:

   B. Upon **Discovery**, the **Named Insured** shall provide the Insurer with written notice of any loss or potential loss as soon as practicable, but in no event later than one hundred eighty (180) days after an **Executive**, chief information officer or any person responsible for the management of the **Insured's** insurance claims, or any equivalent position, **Discovers** such loss or potential loss. The **Named Insured** shall:

      1. Furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, within one hundred eighty (180) days after **Discovery**.
      2. Submit to examination under oath at the **Insurer's** request (a parent or guardian may be present during

© The Hanover Insurance Company. All Rights Reserved.

Issued To: WATERWOOD TOWNHOMES
Issued By: Hanover Insurance Company
Policy Number: BDD-M529527-00

Endorsement Number: 2708993
Effective Date: 09/28/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Common Terms and Conditions (and all Coverage Parts as purchased)

any examination of a minor);

3. Produce for the **Insurer's** examination all pertinent records; and
4. Cooperate with the **Insurer** in the investigation and settlement of any loss or claim.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

© The Hanover Insurance Company. All Rights Reserved.

The Hanover Insurance Group™

Endorsement

Issued To: WATERWOOD TOWNHOMES
Issued By: Hanover Insurance Company
Policy Number: BDD-M529527-00

Endorsement Number: 2708993
Effective Date: 09/28/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Policy

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

In consideration of the premium charged it is agreed that:

A. If aggregate insured losses attributable to **Certified Acts of Terrorism**, so certified under the federal Terrorism Risk Insurance Act, exceed $100 billion dollars in a calendar year and the **Insurer** has met the **Insurer** deductible under the Terrorism Risk Insurance Act, the **Insurer** shall not be liable for payment of any portion of the amount of such losses that exceeds $100 billion dollars, 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. **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 dollars 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 any loss that is not otherwise excluded under this Policy.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

© The Hanover Insurance Company. All Rights Reserved.

In consideration of the premium paid, in reliance upon the statements in the **Application** and subject to the Policy Declarations, limitations, conditions, definitions and other provisions of this Policy, including endorsements hereto, the **Insurer** and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

A. Fidelity

1. Employee Theft

   The **Insurer** shall pay the **Insured** for loss of or damage to **Money**, **Securities** or **Other Property** sustained by an **Insured** resulting directly from **Theft** or **Forgery** committed by an **Employee**, whether identified or not, acting alone or in collusion with others.

2. ERISA Fidelity

   The **Insurer** shall pay an **Employee Benefit Plan** for loss of **Money**, **Securities** or **Other Property** sustained by such **Employee Benefit Plan** resulting directly from fraudulent or dishonest acts, including larceny, **Theft**, embezzlement, **Forgery**, misappropriation, wrongful abstraction, wrongful conversion and willful misapplication, committed by a **Fiduciary** of any **Employee Benefit Plan**, whether identified or not, acting alone or in collusion with others.

3. Clients' Property

   The **Insurer** shall pay the **Insured** for loss of or damage to **Money**, **Securities** or **Other Property** sustained by the **Insured's Client** resulting directly from **Theft** committed by an identified **Employee**.

B. Forgery or Alteration

The **Insurer** shall pay the **Insured** for loss directly caused by **Forgery** or alteration of a **Financial Instrument** which is:

1. Made, drawn by or drawn upon the **Insured**;
2. Made or drawn by one acting as the **Insured's** agent, or

which is purported to have been so made or drawn.

If the **Insured** is sued for refusing to pay any written **Financial Instrument** on the basis that it has been forged or altered, and the **Insured** has the **Insurer's** written consent to defend against the suit, the **Insurer** will pay for any reasonable legal fees and expenses that the **Insured** incurs and pays in such defense. The amount that the **Insurer** will pay is in addition to the Limit of Liability applicable to this Insuring Agreement.

For the purposes of this Insuring Agreement, **Financial Instrument** includes a substitute check, as defined in the Check Clearing for the 21st Century Act, and shall be treated the same as the original it replaced.

C. Premises Coverage

The **Insurer** shall pay the **Insured** for loss sustained by the **Insured** resulting directly from:

1. **Robbery**, **Theft** or **Safe Burglary**, of **Money** or **Securities** committed by a **Third Party** inside the **Premises** or **Banking Premises**, or actual destruction or disappearance of **Money** and **Securities** located inside the **Premises** or **Banking Premises**;
2. Loss of or damage to **Other Property** resulting from an actual or attempted **Robbery** of a **Custodian** inside the **Premises**, or actual or attempted **Safe Burglary** inside the **Premises**;
3. Damage to the **Premises** or its exterior resulting from an actual or attempted **Robbery**, **Theft** or **Safe Burglary**; or
4. Damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **Premises** resulting from an actual or attempted **Theft**, **Robbery** or **Safe Burglary** of, or unlawful entry into such containers.

D. Transit Coverage

The **Insurer** shall pay the **Insured** for loss sustained by the **Insured** resulting directly from:

© The Hanover Insurance Company. All Rights Reserved.

1. **Robbery** or **Theft** of **Money** and **Securities** committed by a **Third Party**, or destruction or disappearance of **Money** and **Securities**, while **In Transit** and including while temporarily within the living quarters of a **Messenger**.
2. **Robbery** or **Theft** of **Other Property** committed by a **Third Party**, or destruction, disappearance or damage of **Other Property**, while **In Transit**.

E. Computer Fraud

The **Insurer** shall pay the **Insured** for loss sustained by the **Insured** of **Money**, **Securities** and **Other Property** resulting directly from **Computer Fraud** committed by a **Third Party**.

F. Funds Transfer Fraud

The **Insurer** shall pay the **Insured** for loss of **Money** or **Securities** resulting directly from **Funds Transfer Fraud** committed by a **Third Party**.

G. False Pretenses Fraud

The **Insurer** shall pay the **Insured** for loss of **Money** or **Securities** resulting directly from **False Pretenses Fraud** committed by a **Third Party**. However, this insuring agreement does not apply to any loss of **Other Property** resulting from **False Pretenses Fraud**.

H. Credit, Debit or Charge Card Fraud

The **Insurer** shall pay the Insured for loss resulting directly from **Credit**, **Debit** or **Charge Card Fraud** committed by a **Third Party**.

I. Money Orders and Counterfeit Money

The **Insurer** shall pay the **Insured** for loss resulting directly from the **Insured** having accepted in good faith, in exchange for merchandise, **Money** or **Securities**:

1. **Money** orders issued by any post office, express company or bank that are not paid upon presentation; or
2. **Counterfeit Money** that is acquired during the regular course of business.

J. Personal Accounts Protection

1. Personal Accounts Forgery or Alteration

The **Insurer** shall pay the **Insured** for loss resulting directly from **Forgery** or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **Money** that are:

a. Made, drawn or purported to be made or drawn upon personal accounts of the **Executive**; or

b. Made, drawn or purported to be made or drawn by someone acting as an agent of the **Executive**.

For the purposes of this Insuring Agreement, a substitute check, as defined in the Check Clearing for the 21st Century Act, shall be treated the same as the original it replaced.

2. Identity Fraud Expense Reimbursement

The **Insurer** shall reimburse the **Insured**, on behalf of the **Executive**, for **Identity Fraud Expense** incurred by an **Executive** as a direct result of any **Identity Fraud**.

II. COVERAGE EXPENSES

A. Investigative Expenses

1. The **Insurer** shall pay the **Insured** for **Investigative Expenses** to determine the amount of loss covered under any Insuring Agreement of this Coverage Part.
2. The **Insurer** shall pay the **Insured** for **Investigative Expenses** after settlement of covered loss, but solely in the event such covered loss is in excess of the Retention applicable to such covered loss.
3. The most the **Insurer** will pay for **Investigative Expenses** is the Limit of Liability stated in Item 9., Section II.A. of the Crime Insurance portion of the Policy Declarations. All **Investigative Expenses** paid by the **Insurer** shall be part of, and not in addition to, the Limit of Liability for the applicable Insuring Agreement as stated in Item 9., Section I. of the Crime Insurance portion of the Policy Declarations.

© The Hanover Insurance Company. All Rights Reserved.

B. Data Restoration Expenses

1. The **Insurer** shall pay the **Insured** for reasonable **Restoration Expense** that the **Insured** incurs to restore or replace damaged or destroyed **Data** stored within the **Insured's Computer System** and which **Restoration Expense** directly resulted from a loss covered under Insuring Agreement I.E. Computer Fraud, I.F. Funds Transfer Fraud or I.G. False Pretenses Fraud.
2. Payment of reasonable **Restoration Expense** applies only if the **Insured** is unable to reproduce such **Data** from back-up data copies and will be made to the **Insured** upon the completion of the restoration of the damaged or destroyed **Data**, but solely in the event such covered loss is in excess of the Retention applicable to such covered loss.
3. The most the **Insurer** will pay for **Restoration Expenses** is the Limit of Liability stated in Item 9., Section II.B. of the Crime Insurance portion of the Policy Declarations. All **Restoration Expenses** paid by the **Insurer** shall be part of, and not in addition to, the Limit of Liability for the applicable Insuring Agreement as stated in Item 9., Section I. of the Crime Insurance portion of the Policy Declarations.

III. DEFINITIONS

Banking Premises means the interior of that portion of any building occupied by a banking institution or similar safe depository, including any night depository chute and any ATM machines owned by such banking institution wherever located.

Client means an entity or customer for which the **Insured** performs services for a fee or under written contract while that contract is in effect.

Client's Premises means the interior of that portion of any building the **Insured** occupies in conducting its business.

Computer Fraud means the unauthorized transfer, payment or delivery of **Money**, **Securities** or **Other Property** resulting directly from a **Malicious Attack**.

Computer System (see Section III. Definitions on the Common Terms and Conditions)

Counterfeit Money means an imitation of **Money** that is intended to deceive and to be taken as genuine.

Credit, **Debit or Charge Card Fraud** means the **Forgery** or alteration of, on or in, any written instrument required in connection with any transaction involving any credit, debit or charge card issued to the **Insured**, or at the **Insured's** request to any **Employee**.

Custodian means the **Insured**, or any of the **Insured** partners or **Members**, or any **Employee** while having care and custody of **Money**, **Securities** or **Other Property** inside the **Premises**, excluding any person while acting as a **Watchperson** or janitor.

Cyber Extortion Threat means a declaration made by an entity or natural person that they will or have gained access to an **Insured's Computer System** and intends to:

A. Cause the transfer, payment or delivery of any **Money, Securities, Digital Currency** or **Other Property**;
B. Sell or disclose **Personal Information** to another person or to an entity;
C. Alter, damage or destroy an **Insured's Entity's Data** while stored within an **Insured Entity's Computer System**;
D. Alter, damage, or destroy an **Insured Entity's Data** through the introduction of a computer virus or harmful code into the **Insured Entity's Computer System**; or
E. Impair or deny an **Insured's** Services,

Where there exists a demand for an extortion payment or a series of such payments as condition for the mitigation or removal of such **Cyber Extortion Threat**.

Data means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a **Computer System** including relate electronic instructions which direct the operations and functions of a **Computer System**.

Digital Currency (see Section III. Definitions on the Common Terms and Conditions)

© The Hanover Insurance Company. All Rights Reserved.

Digital Signature means an electronic identifier created by computer, within, attached to, or logically associated with a record, and executed or adopted by a person with the intent to sign the record.

Discover, **Discovered** or **Discovery** means the time when an **Executive** or individual responsible for placing insurance, first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this Coverage Part has been or will be incurred and includes loss:

A. Where the details, act or acts causing or contributing to such loss may not yet be known;

B. Which does not exceed the Retention stated in the Crime Insurance portion of Item 9. of the Policy Declarations;

C. Which is sustained prior to the inception date of any coverage under this Coverage Part; or

D. Which is the subject of an actual or potential claim in which it is alleged that an Insured is liable to a **Third Party** under circumstances which, if true, would constitute a loss under this Coverage Part.

Electronic Signature means a **Digital Signature**, an electronic sound, symbol or process, within, attached to, or logically associated with a record and executed or adopted by a person with the intent to sign the record.

Employee means:

A. Any natural person:

1. While in the **Insured's** service and for the first sixty (60) days immediately after termination of service, unless such termination is due to **Theft** or any other dishonest act committed by the **Employee**;
2. Who the **Insured** compensates directly by salary, wages or commissions; and
3. Who the **Insured** has the right to direct and control while performing services for the **Insured**.

B. Any natural person who is temporarily furnished to the **Insured**:

1. To substitute for an **Employee** as set forth in paragraph A. above, who is on medical, military or other leave of absence; or
2. To meet seasonal or short-term workload conditions;

while such person is subject to the **Insured's** direction and control and performing services for the **Insured.**

C. Any natural person who is leased to the **Insured** under a written agreement between the **Insured** and a labor leasing firm, to perform duties related to the conduct of the **Insured's** business, but does not mean a temporary employee as described in paragraph B. above.

D. Any natural person who is:

1. A trustee, officer, employee, administrator or manager, except an administrator or manager who is an **Independent Contractor** of any **Employee Benefit Plan**; or
2. A director or trustee of the **Insured** while that person is engaged in handling **Money**, **Securities** or **Other Property** of any **Employee Benefit Plan**.
3. A partner of an **Insured Entity** while acting within the scope of the usual duties of an **Employee**.
   a. However, the **Insurer** will only pay that part of loss caused by a partner which exceeds the sum of:
      1) Any amounts an **Insured Entity** owes such partner;
      2) The value of that partner's partnership interest as determined on the date of **Discovery** of the loss by that partnership or any of its partners not in collusion with the partner causing the loss; and
      3) Any applicable Retention amount stated in the Crime Insurance portion of Item 9. of the Policy Declarations.
4. A **Member** while acting within the scope of the usual duties of an **Employee**.
   a. However, the **Insurer** will only pay that part of loss caused by a **Member** which exceeds the sum of:
      1) Any amounts the **Insured Entity** owes such **Member**;
      2) The value of such **Member's** membership interest in the Limited Liability Company insured under this insurance as determined by the closing of that Limited Liability Company's books on the date of **Discovery** of the loss by that Limited Liability Company or any of its **Members** not in collusion with the **Member** causing the loss; and

© The Hanover Insurance Company. All Rights Reserved.

3) The applicable Retention amount stated in the Crime Insurance portion of Item 9. of the Policy Declarations.

5. An **Independent Contractor** performing acts within the usual scope of duties of an **Employee** and while under the exclusive direction of an **Insured Entity** pursuant to a written contract.

E. Any natural person:

1. Who is a former:
   a. **Employee**;
   b. partner;
   c. **Member**
   d. **Manager**; or
   e. **Executive**

   retained as a consultant while performing services for the **Insured**;
2. Who is a non-compensated officer;
3. While performing non-compensated services usual and customary to the duties of an **Employee**;
4. While acting as a non-compensated fund solicitor during fund raising campaigns; or
5. Who is a student, guest student or intern pursuing studies or duties.

F. Any attorney retained by the **Insured**, while performing legal services for the **Insured**.

G. Any **Employee** of an entity merged or consolidated with the **Insured** prior to the effective date of this Policy.

H. Any of the **Insured's Managers**, directors or trustees while:

1. Performing acts within the scope of the usual duties of an **Employee**; or
2. Acting as a member of any committee duly elected or appointed by resolution of the **Insured's** board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on the **Insured's** behalf.

I. Any **Employee** included above while on military service.

However, **Employee** does not include any agent, broker, factor, commission merchant, consignee or representative of the same general character.

Employee Benefit Plan means any welfare or pension benefit plan sponsored by an **Insured Entity** whether or not subject to the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and as amended by the Pension Protection Act of 2006, which is operated solely by an **Insured Entity** or jointly by an **Insured Entity** and a labor organization for the benefit of **Employees**,

Executive means an **Insured Entity's** owner, natural person partner, member of the board of directors, member of the board of trustees, officer, risk manager, in-house general counsel, **Manager**, or **Member**.

False Pretenses Fraud means the fraudulent misrepresentation of a material fact, including but not limited to social engineering, pretexting, phishing, spear phishing or any other confidence trick, by a **Third Party** purporting to be an **Employee**, **Vendor** or **Client**, to an **Employee** who is authorized by an **Insured Entity** to transfer **Money** or **Securities** or instruct another **Employee** to transfer **Money** or **Securities**, which results in the transfer, payment or delivery of **Money** or **Securities** from the **Insured's Transfer Account**.

Fiduciary means any natural person who is an **Employee**, trustee, officer, member of the board of directors, **Member**, **Manager** or an administrator of any **Employee Benefit Plan** while that person is handling **Money**, **Securities** or **Other Property** that belongs to any **Employee Benefit Plan**.

Financial Instrument means checks, drafts or similar written promises, orders or directions to pay a sum certain in **Money**, that are made, drawn by or drawn upon an **Insured Entity** or by anyone acting as an **Insured Entity's** agent, or that are purported to have been so made or drawn.

Forgery means the signing of the name of another person or organization with intent to deceive. **Forgery** does not mean a signature which consists, in whole or in part, of one's own name signed with or without authority, in any

© The Hanover Insurance Company. All Rights Reserved.

capacity, for any purpose including a signature that is a mechanical or electronic reproduction of a handwritten signature produced by a mechanical check-writing machine or a computer printer.

Funds Transfer Fraud means fraudulent electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instructions (other than **Forgery** of a **Financial Instrument**), purportedly issued by the **Insured** to a financial institution to transfer, pay or deliver **Money** or **Securities** from the **Insured's Transfer Account**, but was in fact fraudulently issued without the **Insured's** knowledge and consent by a **Third Party**.

Identity Fraud means the act of knowingly transferring or using, without lawful authority, a means of identification of an **Insured** with the intent to commit, aid or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

Identity Fraud Expense means:

A. Costs incurred for notarizing identity theft affidavits or similar documents for credit agencies, financial institutions, merchants or other credit grantors that have required that such affidavits be notarized;

B. Costs incurred for certified mail to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors;

C. Costs incurred for long distance telephone calls to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors to report or discuss any actual **Identity Fraud**;

D. Lost wages, up to a maximum payment of one thousand dollars ($1,000.00) per week for a maximum period of five (5) weeks, as a result of absence from employment:

   1. To communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, merchants or other credit grantors;

   2. To complete identity theft affidavits or similar documents; or

   3. Due to wrongful incarceration arising solely from someone having committed a crime in the **Insured's** name; provided, that lost wages shall not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal;

E. Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;

F. Reasonable attorney fees incurred, with the **Insurer's** prior written consent, for:

   1. Defense of lawsuits brought against the **Insured** by financial institutions, merchants, other credit grantors or their collection agencies;

   2. The removal of any criminal or civil judgments wrongly entered against the **Insured**; or

   3. Challenging the accuracy or completeness of any information in a consumer credit report for the **Insured**;

G. Costs for daycare and eldercare incurred solely as a direct result of any **Identity Fraud Discovered** during the **Policy Period**; or

H. Advertising and public relations expenses incurred by the **Insured** to restore the **Insured's** business reputation as a result of an **Identity Fraud**.

However, **Identity Fraud Expense** does not include any expense or loss not listed in paragraphs A. through G. of this definition.

In Transit means being conveyed by the **Insured** outside the **Premises**, from one place to another and in the custody of a **Messenger**, an armored motor vehicle carrier, or another natural person authorized by the **Insured** to have custody of **Money**, **Securities** or **Other Property**.

Insured means any **Insured Entity** and any **Employee Benefit Plan**.

Investigative Expenses means reasonable and necessary expenses (expenses other than internal corporate costs such as **Employee** salaries and wages) incurred by the **Insured** with the **Insurer's** prior written consent to establish the amount of a covered loss. **Investigative Expenses** shall not include expenses incurred by any **Client**.

Malicious Attack means:

A. The unauthorized access to an **Insured's Computer System**, or introduction of a computer virus or harmful code into the **Insured's Computer System**, by a **Third Party** that results in **Computer Fraud**; or

© The Hanover Insurance Company. All Rights Reserved.

B. Only with respect to Coverage Expense II.B. Data Restoration Expenses, damage to, destruction of, or deletion of **Data** or software within the **Insured's Computer System** by a **Third Party** who is not authorized to access the **Insured's Computer System**.

Malicious Attack does not mean **Cyber Extortion Threat** or **Privacy Violation**.

Manager means a person serving in a directorial capacity for a limited liability company.

Member means an owner of a limited liability company represented by its membership interest, who also may serve as a **Manager**.

Messenger means any **Executive**, **Member**, **Manager**, including a relative thereof, or **Employee** of an **Insured** while having care and custody of **Money**, **Securities** or **Other Property** outside the **Premises**.

Money means:

A. A medium of exchange in current use authorized or adopted by a domestic or foreign government as part of its currency, coins and bank notes in current use and having a face value, and precious metals in bullion form;

B. Travelers checks, register checks and money orders held for sale to the public.

However, **Money** does not include **Securities** or **Digital Currency**.

Other Property means any tangible property other than **Money** and **Securities** that has intrinsic value. **Other Property** does not include **Data**, **Computer Systems** or any property specifically excluded under this Coverage Part.

Premises means the interior of that portion of any building the **Insured** occupies in conducting business.

Restoration Expense means reasonable and necessary costs incurred by the **Insured** to reproduce **Data** and enable the **Insured** to restore the **Insured Computer System** to the level of operational capability that existed immediately preceding a **Malicious Attack**.

However, **Restoration Expense** does not include:

A. Internal corporate costs and expenses, including **Employee** remuneration and any costs related to any legal action;

B. Expenses incurred as a result of the reconstruction of **Data** recorded on media, including, but not limited to, magnetic or optical media if there are no file analysis, specifications or backups of **Data** held outside the **Premises**;

C. Expenses incurred as a result of the reconstruction of **Data** if the **Insured** knowingly uses illegal copies of programs;

D. Expenses incurred to render the **Data** usable by replacement processing equipment;

E. Expenses incurred to design, update or improve **Data** or to perfect their operation or performance;

F. Expenses incurred as a result of alteration in **Data** held on magnetic media due to the effect of magnetic fields, incorrect usage of the **Data**, or the obsolescence of the **Computer System**; or

G. Expenses incurred as a result of a **Cyber Extortion Threat**.

Robbery means the unlawful taking of **Money**, **Securities** or **Other Property** from the care and custody of a person by one who has:

A. Caused or threatened to cause that person bodily harm; or

B. Committed an obviously unlawful act witnessed by that person.

Safe Burglary means the unlawful taking of:

A. **Money**, **Securities** or **Other Property** from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or

B. A safe or vault from inside the **Premises**.

Securities means negotiable and nonnegotiable instruments or contracts representing **Money** or **Other Property** and includes:

A. Tokens, tickets, chips, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

© The Hanover Insurance Company. All Rights Reserved.

B. Evidence of debt issued in connection with credit or charge cards, which cards are not issued by the **Insured**;

However, **Securities** does not include **Money** or **Digital Currency**.

Theft means the intentional unlawful taking to the deprivation of an **Insured** or **Client**.

Third Party means any natural person or entity other than an **Insured** or **Employee**.

Transfer Account means an account maintained by the **Insured** at a financial institution from which the **Insured** can initiate the transfer, payment or delivery of **Money** or **Securities**:

A. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

B. By means of written instructions (other than those described in Insuring Agreement I.B. of this Coverage Part) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

Vendor means a natural person or entity that has provided goods or services to an **Insured Entity** pursuant to a written agreement or other arrangement. **Vendor** does not mean a financial institution, bank, credit union, asset manager, broker-dealer, or any other financial institution, an armored motor vehicle company or any other similar entity.

Watchperson means any person the **Insured** retains specifically to have care and custody of **Money**, **Securities** or **Other Property** inside the **Premises**.

IV. EXCLUSIONS

A. Exclusions Applicable to All Insuring Agreements

This Coverage Part does not cover:

1. Prior Dishonesty

   Loss caused by an **Employee** which is sustained by the **Insured** after an **Executive**, becomes aware of a **Theft** or any other dishonest or criminal act which is:

   a. Valued at twenty-five thousand dollars ($25,000) or more, committed by such **Employee** while employed with or in the service of an **Insured**;

   b. Valued at twenty-five thousand dollars ($25,000) or more, committed by such **Employee** prior to employment or service with an Insured; or

   c. Committed more than ninety (90) days following the termination of such **Employee**;

2. Employees, Managers, or Executives

   Loss resulting from **Theft** or any other dishonest act committed by an **Employee**, **Manager**, **Member** or **Executive** whether acting alone or in collusion with others or while performing services for the **Insured** or otherwise, except when covered under Insuring Agreements A.1., A.2. and A.3. of this Coverage Part;

3. Confidential Information

   Loss resulting directly or indirectly from:

   a. The unauthorized disclosure of the **Insured's** confidential information including, but not limited to, patents, trade secrets, **Data**, processing methods or customer lists; or

   b. The unauthorized use or disclosure of confidential information of another person or entity which is held by the **Insured** including, but not limited to **Personal Information**;

4. Governmental Action

   Loss resulting from expropriation, nationalization, seizure or destruction of **Money**, **Securities** or **Other Property** by order of governmental authority;

5. Indirect or Consequential Loss

   Loss that is an indirect or consequential loss of any kind including, but not limited to, loss resulting from:

© The Hanover Insurance Company. All Rights Reserved.

a. The inability to realize income that the **Insured** would have realized had there been no loss of or damage to **Money**, **Securities** or **Other Property**;

b. Payment of damages of any type for which the Insureds are legally liable. However, The **Insurer** will pay compensatory damages arising directly from a loss covered under this Coverage Part;

c. Payment of **Investigative Expenses** except when covered under Section II.A. Investigation Expenses;

d. Payment of **Restoration Expenses** except when covered under Section II.B. Data Restoration Expenses; and

e. Fines, penalties, multiple or punitive damages that the **Insured's** incur;

6. Legal Fees, Costs and Expenses

   Fees, costs and expenses incurred by the **Insured** which are related to any legal action, except when covered under Insuring Agreement I.B. of this Coverage Part or by an **Executive** which result from **Identity Fraud**;

7. Trading

   Loss resulting directly or indirectly from trading, whether in the **Insured's** name or in a genuine or fictitious account. However, the **Insurer** will pay for loss resulting directly from trading in a genuine or fictitious account when covered under Insuring Agreements A.1., A.2. or A.3. of this Coverage Part;

8. War and Military Action

   Loss or damage resulting from:

   a. War, including undeclared or civil war;

   b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

   c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these;

9. Kidnap, Ransom and Cyber Extortion

   Loss, costs and expenses caused directly or indirectly by the transfer, payment or delivery of **Money**, **Securities**, **Digital Currency** or **Other Property**, which was induced by, based upon, arising out of or in any way related to a kidnap, ransom or other extortion payment surrendered to any person as a result of a threat to do bodily harm to any natural person, a threat to do damage to any **Other Property**, a **Cyber Extortion Threat**, or a threat to disclose **Personal Information** of any natural person or the **Insured**, except when covered under Insuring Agreement I.A. of this Coverage Part;

10. Identity Fraud

    Identity Fraud Expenses resulting from **Theft** or other dishonest acts committed by an **Insured** whether acting alone or in collusion with others;

11. Privacy Violation

    Fees, costs, fines, penalties and any other expenses or liabilities directly or indirectly caused by a **Privacy Violation**;

12. Digital Currency

    Loss of **Digital Currency**;

13. Computer Fraud

    Loss resulting directly or indirectly from **Computer Fraud**. However, the **Insurer** will pay for loss of **Money**, **Securities** and **Other Property** resulting directly from **Computer Fraud** when covered under Insuring Agreement I.E. Computer Fraud;

14. Funds Transfer

    Loss resulting directly or indirectly from **Funds Transfer Fraud**. However, the **Insurer** will pay for loss of **Money** and **Securities** resulting directly from **Funds Transfer Fraud** when covered under Insuring Agreement I.F. Funds Transfer Fraud; or

© The Hanover Insurance Company. All Rights Reserved.

15. False Pretenses

    Loss resulting directly or indirectly from **False Pretenses Fraud**. However, the **Insurer** will pay for loss of **Money** and **Securities** resulting directly from **False Pretenses Fraud** when covered under Insuring Agreement I.G. False Pretenses Fraud.

B. Exclusions Applicable to Insuring Agreement A. Fidelity

Insuring Agreement I.A. Fidelity does not cover:

1. Inventory Shortage

   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,

   however, where the **Insured** establishes wholly apart from such computations that the **Insured** has sustained a loss, then the **Insured** may offer the **Insured's** inventory records and actual physical count of inventory in support of the amount of loss claimed; or

2. Warehouse Receipts

   Loss resulting from the fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

C. Exclusions Applicable to Insuring Agreements I.C. Premises and I.D. Transit Coverage

Insuring Agreements I.C. Premises and I.D. Transit Coverage do not cover:

1. Accounting or Arithmetical Errors or Omissions

   Loss resulting from accounting or arithmetical errors or omissions;

2. Exchanges or Purchases

   Loss resulting from the giving or surrendering of **Money**, **Securities** or **Other Property** in any exchange or purchase;

3. Fire

   Loss or damage resulting from fire, however caused, except:

   a. Loss of or damage to **Money**, **Securities**; and

   b. Loss from damage to a safe or vault;

4. Money Operated Devices

   Loss of **Money**, **Securities** or **Other 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;

5. Motor Vehicles or Equipment and Accessories

   Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them;

6. Transfer or Surrender

   Loss of or damage to **Money**, **Securities** or **Other 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;

   b. As a result of a threat to do bodily harm to any person;

   c. As a result of a threat to do damage to **Money**, **Securities** or **Other Property**;

   d. As a result of a threat to introduce a denial of service attack into the **Insured's Computer System**;

   e. As a result of a threat to introduce a virus or other malicious instruction into the **Insured's Computer System** which is designed to damage, destroy or corrupt data or **Data** stored within the **Insured's Computer System**;

   f. As a result of a threat to contaminate, pollute or render substandard the **Insured's** products or goods; or

© The Hanover Insurance Company. All Rights Reserved.

g. As a result of a threat to disseminate, divulge or utilize:

1) The **Insured's** confidential information; or

2) Weaknesses in the source code within the **Insured's Computer System**,

However, this Exclusion does not apply with respect to Insuring Agreement I.D. Transit Coverage, to loss of **Money**, **Securities** or **Other Property** while outside the **Premises** in the care and custody of a **Messenger**, if the **Insured**:

a) Had no knowledge of any threat at the time the conveyance began; or

b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat;

7. Vandalism

Loss from damage to the **Premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **Other Property** by vandalism or malicious mischief;

8. Voluntary Parting

Loss resulting from the Insured or anyone acting on the **Insured's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any **Money**, **Securities** or **Other Property**; or

9. Mail or Carrier for Hire

Loss of or damage to **Money**, **Securities** or **Other Property** while in the mail or in the custody of any carrier for hire other than an armored motor vehicle company;

D. Exclusions Applicable to Insuring Agreement I.E. Computer Fraud

Insuring Agreement I.E. Computer Fraud does not cover:

1. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards; or

2. Inventory Shortages

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.

V. DISCOVERY PERIOD

Subject to Section XV. Change in Control or Exposure of the Common Terms and Conditions and Section XI. Liability for Prior Losses of this Coverage Part, coverage under this Coverage Part is available for loss sustained at any time and **Discovered** during the **Policy Period**.

VI. EXTENDED PERIOD TO DISCOVER LOSS

The **Insurer** will pay the **Insured** for direct loss sustained prior to the effective date of cancellation of this Coverage Part and which is **Discovered** by the **Insured**:

A. No later than ninety (90) days from the date of that cancellation; and

B. No later than one (1) year from the date of that cancellation with regard to any **Employee Benefit Plan**.

However, this extended period to **Discover** loss terminates immediately upon the effective date of any other insurance policy obtained by the **Insured**, whether from the **Insurer** or another insurer, replacing in whole or in part the coverage afforded under this Coverage Part, whether or not such other insurance policy provides coverage for loss sustained prior to its effective date.

 © The Hanover Insurance Company. All Rights Reserved.

VII. DISCOVERY AND PROOF OF LOSS

A. Knowledge possessed by any **Insured** or **Discovery** by any **Insured** shall be deemed knowledge possessed by or **Discovery** by all **Insureds**.

B. Upon **Discovery**, the **Named Insured** shall provide the **Insurer** with written notice of any loss or potential loss as soon as practicable, but in no event later than one hundred eighty (180) days after an **Executive**, chief information officer or any person responsible for the management of the **Insured's** insurance claims, or any equivalent position, **Discovers** such loss or potential loss. The **Named Insured** shall:

1. Furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, within one hundred eighty (180) days after **Discovery**.
2. Submit to examination under oath at the **Insurer's** request;
3. Produce for the **Insurer's** examination all pertinent records; and
4. Cooperate with the **Insurer** in the investigation and settlement of any loss or claim.

VIII. LIMIT OF LIABILITY AND RETENTION

A. Limit of Liability

1. Regardless of the number of **Insureds** sustaining a loss, the most the **Insurer** will pay for each loss is the applicable Limit of Liability stated in the Crime Insurance portion of Item 9. of the Policy Declarations.
2. If a direct loss is covered under more than one Insuring Agreement, the maximum the **Insurer** will pay for such loss shall not exceed the largest Limit of Liability applicable under any such Insuring Agreements.
3. All loss resulting from a single act or any number of acts of the same **Employee** or **Third Party**, and all loss whether such act or acts occurred before or during the **Policy Period**, will be treated as a single loss and the applicable Limit of Liability stated in the Crime Insurance portion of Item 9. of the Policy Declarations will apply, subject to Section XI. Liability for Prior Losses.

B. Retention

1. The **Insurer's** liability under this Coverage Part applies only to that part of loss which is excess of the applicable Retentions stated in the Crime Insurance portion of Item 9. of the Policy Declarations.
2. If a loss is subject to different Retentions, in different Insuring Agreements, the applicable Retentions will be applied separately to each part of such loss but the sum of such Retentions shall not exceed the largest applicable Retention.
3. If an **Insured** receives payment under another policy or bond, after applying a deductible or retention for loss also covered under this Coverage Part, then the applicable Retention stated in the Crime Insurance portion of Item 9. of the Policy Declarations shall be reduced by the deductible or retention previously applied to such loss.

IX. ADDITIONAL PREMISES OR EMPLOYEES

If, during the **Policy Period**, the **Insured** establishes any additional **Premises** or hires additional **Employees**, other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of another entity, such **Premises** and **Employees** shall automatically be covered under this Coverage Part. Notice to the **Insurer** of an increase in the number of **Premises** or **Employees**, which did not result from a consolidation, merger, purchase or acquisition of another entity, need not be given and no additional premium need be paid for the remainder of the **Policy Period** stated in Item 2. of the Policy Declarations.

X. EMPLOYEE BENEFIT PLANS

A. If any **Employee Benefit Plan** is insured jointly with any other **Employee Benefit Plan** under this Coverage Part, the **Insured** or the Plan Administrator must select a Limit of Liability for Insuring Agreement I.A.2. ERISA

© The Hanover Insurance Company. All Rights Reserved.

Fidelity that is sufficient to provide a Limit of Liability for each **Employee Benefit Plan** that is at least equal to that required by ERISA if each **Employee Benefit Plan** were separately insured.

B. The **Insurer's** maximum liability for all loss sustained by each **Employee Benefit Plan** shall not exceed the Limit of Liability applicable to Insuring Agreement I.A.2. stated in the Crime Insurance portion of Item 9. of the Policy Declarations, unless such Limit of Liability is less than the minimum limit of insurance required by **ERISA**. In such event, the Limit of Liability shall be amended in accordance with **ERISA** as follows:

1. If the **Employee Benefit Plan** does not have any qualified employer securities within the meaning of **ERISA**, the Limit of Liability applicable to such covered loss shall be ten percent (10%) of the plan assets in the preceding reporting year, up to a maximum limit of liability of $500,000; or
2. If the **Employee Benefit Plan** does hold qualified employer securities within the meaning of **ERISA**, the Limit of Liability applicable to such covered loss shall be ten percent (10%) of the plan assets in the preceding reporting year, up to a maximum limit of liability of $1,000,000;

Provided that, in all events, the Limit of Liability applicable to Insuring Agreement I.A.2. stated in the Crime Insurance portion of Item 9. of the Policy Declarations shall never be less than $1,000.

C. If the **Named Insured** is an entity other than an **Employee Benefit Plan**, any payment the **Insurer** makes for loss sustained by any **Employee Benefit Plan** will be made to the **Employee Benefit Plan** sustaining the loss.

D. If two or more **Employee Benefit Plans** are Insureds under this Coverage Part, any payment for loss:

1. Sustained by two or more **Employee Benefit Plans**; or
2. Of commingled **Money**, **Securities** or **Other Property** of two or more **Employee Benefit Plans**;

will be made to each **Employee Benefit Plan** sustaining loss in the proportion that the Limit of Liability required for each **Employee Benefit Plan** bears to the total Limit of Liability of all **Employee Benefit Plans** sustaining loss.

E. No retention shall apply to loss sustained by an **Employee Benefit Plan** covered under this Coverage Part.

XI. LIABILITY FOR PRIOR LOSSES

If this Coverage Part replaces a policy that provided the **Insured** with an extended period of time after termination in which to discover loss and which did not terminate at the time this Coverage Part became effective the **Insurer** will not pay for loss that occurred during the **Policy Period** of that prior policy which is **Discovered** by the **Insured** during the extended period to **Discover** loss unless the amount of loss exceeds the limit of liability and retention amount of that prior policy. In such case, the **Insurer** will pay for the excess loss subject to the terms and conditions of this Coverage Part. Any payment the **Insurer** makes for the excess loss will not be greater than the difference between the limit of liability and retention amount of that prior policy and the Limit of Liability stated in the Crime Insurance portion of Item. 9. of the Policy Declarations. The **Insurer** will not apply the **Retention** shown in the Crime Declarations to this excess loss.

XII. OWNERSHIP

A. Except as stated in XII.B. below, **Money**, **Securities** and **Other Property** covered under this Coverage Part shall only apply to **Money**, **Securities** and **Other Property** owned or leased by an **Insured** or for which the **Insured** is legally liable, or for which the **Insured** holds on its premises in any capacity whether or not the **Insured** is liable. However, the **Insurer's** liability, shall only apply to damage to **Premises** if the **Insured** is the owner of such **Premises** or is legally liable for such damage.

B. Solely with respect to Insuring Agreement I.A.3. Client Property, **Money**, **Securities** and **Other Property** covered under this Coverage Part applies only to **Money**, **Securities** and **Other Property** that a **Client** owns or leases, or for which the **Client** is legally liable while the **Money**, **Securities** and **Other Property** is inside the **Client's Premises**.

© The Hanover Insurance Company. All Rights Reserved.

XIII. VALUATION

A. With respect to loss under this Coverage Part the **Insurer** shall pay:

1. The actual market value of lost, damaged or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which a loss is **Discovered**, or the cost of replacing **Securities**, whichever is less, plus the cost to post a Lost Instrument Bond;
2. The cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records;
3. The least of:
   a. The actual cash value of the **Other Property**; or
   b. The cost to repair or replace property, other than precious metals, with that of similar quality and value;

   At the time the Parent Organization complies with Section VII. Discovery and Proof of Loss, regarding the furnishing of proof of loss;
4. The United States of America dollar value of **Money** of the country in which the loss or damage occurred as determined by the rate of exchange published in *The Wall Street Journal* on the day the loss is **Discovered**;
5. The United States of America dollar value of any precious metals as determined by *The Wall Street Journal* Cash Prices, Precious Metals, on the day loss involving such precious metals is **Discovered**;

If there is no applicable rate of exchange published in *The Wall Street Journal* then payment under this Policy shall be made in the equivalent of United States of America dollars at the actual rate of exchange for such currency.

XIV. TERMINATION OF PRIOR BONDS OR POLICIES

Any prior bonds or policies issued by the **Insurer** or any subsidiary or affiliate of the Hanover Insurance Company shall terminate, if not already terminated, as of the inception of this Coverage Part.

XV. OTHER INSURANCE

If other valid and collectible insurance (other than a policy that is issued specifically as excess of this Coverage Part) is available to the **Insured** for loss covered under this Policy, then the insurance provided by this Coverage Part shall be excess of such other insurance regardless of whether or not such insurance is primary, contributary, excess, contingent or otherwise.

© The Hanover Insurance Company. All Rights Reserved.

The Hanover Insurance Group™

Endorsement

Issued To: WATERWOOD TOWNHOMES
Issued By: Hanover Insurance Company
Policy Number: BDD-M529527-00

Endorsement Number: 2708993
Effective Date: 09/28/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Crime Insurance Coverage Part

TELEPHONE TOLL FRAUD COVERAGE

In consideration of the premium charged it is agreed that:

A. The Crime Insurance portion of Item 9. of the Policy Declarations is amended to include:

Crime Insurance		
I. Insuring Agreements:	**Limit of Liability:**	**Retention:**
Telephone Toll Fraud Coverage	$100,000	$10,000

B. Section I. Insuring Agreements is amended to include:

Telephone Toll Fraud Coverage

The **Insurer** shall pay the **Insured** for long distance telephone call charges incurred by the **Insured** resulting directly from fraudulent use or fraudulent manipulation of an **Account Code** or **System Password** required to gain access into the **Insured's Voice Computer System**, provided such loss did not result from the failure to:

1. Install and maintain in operating condition a call disconnect feature to terminate a caller's access after three (3) unsuccessful attempts to enter an **Account Code**;
2. Incorporate a **System Password**; or
3. Change a **System Password** within sixty thousand (60000) days.

Coverage under this Insuring Agreement shall only apply for a period of thirty (30) days for charges made on telephone lines directly controlled by one **Voice Computer System**.

The most the **Insurer** shall pay for coverage provided under this Insuring Agreement is the Telephone Toll Fraud Coverage Limit of Liability stated in the Crime Insurance portion of Item 9. of the Policy Declaration and shall be excess the Telephone Toll Fraud Coverage Retention.

C. Section III. Definitions is amended to include:

Account Code means a confidential and protected string of characters that identifies or authenticates a natural person and permits that natural person to gain access to the **Insured's Voice Computer System** for the purpose of making long distance toll calls or utilizing voice mail box messaging capabilities or similar functional features of the system.

System Administration means the performance of any security function including, but not limited to:

A. Defining authorized persons to access the system;
B. Adding, deleting or changing **Account Codes** or passwords;
C. Installing or deleting any system option which directs telephone call routing or adds, drops or moves telphone lines; or
D. Any other activity allowed by a hardware or software based system option that has been incorporated by a manufacturer or a vendor into a **Voice Computer System**, provided the system is not intended for the sole use of the manufacturer or vendor.

© The Hanover Insurance Company. All Rights Reserved.

The Hanover Insurance Group™

Endorsement

Issued To: WATERWOOD TOWNHOMES

Issued By: Hanover Insurance Company

Endorsement Number: 2708993

Policy Number: BDD-M529527-00

Effective Date: 09/28/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Hanover Executive Advantage Pro Crime Insurance Coverage Part

System Maintenance means performing hardware and software installation, diagnostic and correction and similar activities that are performed in the custom and practice by a manufacturer or vendor to establish or maintain the basic operational functionality of a **Voice Computer System**.

System Password means a confidential and protected string of characters that identifies or authenticates a natural person and permits that person to gain access to the **Insured's Voice Computer System** to perform **System Administration** or **System Maintenance** or a component thereof.

Voice Computer System means a computer system installed in one location which functions as a private exchange (PBX), voice mail processor, automated call attendant or provides a similar capability used for the direction or routing of telephone calls in a voice communications network.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

© The Hanover Insurance Company. All Rights Reserved.

The Hanover Insurance Group™

Endorsement

Issued To: WATERWOOD TOWNHOMES
Issued By: Hanover Insurance Company
Policy Number: BDD-M529527-00

Endorsement Number: 2708993
Effective Date: 09/28/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Crime Insurance Coverage Part

NON-CUMULATIVE LIABILITY – PROPERTY MANAGER AS DESIGNATED AGENT

In consideration of the premium charged it is agreed that:

A. Insuring Agreement I.A.1. Employee Theft is amended to include:

If loss from an **Occurrence** is covered under this Insuring Agreement and **Other Insurance** and both this Coverage Part and such **Other Insurance** list the position of "property manager" (for the same property management company) as an agent who qualifies as an **Employee** under this Coverage Part and its endorsements, or as an **Insured**, and whether such loss is caused by an employee of such property manager acting alone or caused by multiple employees of such property manager acting in collusion, the insurance shall not be cumulative in amount but rather:

a. The **Insurer's** liability under this Insuring Agreement and such **Other Insurance**, with respect to any loss(es) for the same **Occurrence** shall not exceed the greater of either the Insuring Agreement I.A.1. Employee Theft Limit of Liability set forth in the Crime Insurance portion of Item 9. of the Policy Declarations or as amended by endorsement, or the applicable limit of liability of such **Other Insurance**; and

b. The **Insurer's** liability under this Insuring Agreement shall be in excess of the Employee Theft Retention set forth in the Crime Insurance portion of Item 9. of the Policy Declarations or the applicable retention or deductible of such **Other Insurance**, whichever is greater.

B. Solely for the purposes of this endorsement, Section III. Definitions is amended to include:

Occurrence means a single act or series of related acts that are covered under this Coverage Part and **Other Insurance** solely with respect to any property manager designated as an agent who qualifies as an **Employee** or **Insured** on this Coverage Part and **Other Insurance**.

Other Insurance means any other insurance policy or multiple insurance policies issued by the **Insurer** or an affiliate of The Hanover Insurance Group.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

© The Hanover Insurance Company. All Rights Reserved.

The Hanover Insurance Group

Endorsement

Issued To: WATERWOOD TOWNHOMES
Issued By: Hanover Insurance Company
Policy Number: BDD-M529527-00

Endorsement Number: 2708993
Effective Date: 09/28/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Crime Insurance Coverage Part

AMEND DEFINITION OF EMPLOYEE - SPECIFIED DAYS AFTER TERMINATION

In consideration of the premium charged it is agreed that:

Section III. Definitions, **Employee**, paragraph A.1. is deleted and replaced with:

1. While in the **Insured's** service and for the first ninety (90) days immediately after termination of service, unless such termination is due to **Theft** or any other dishonest act committed by the **Employee**.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

© The Hanover Insurance Company. All Rights Reserved.

The Hanover Insurance Group

Endorsement

Issued To: WATERWOOD TOWNHOMES
Issued By: Hanover Insurance Company
Policy Number: BDD-M529527-00

Endorsement Number: 2708993
Effective Date: 09/28/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Crime Insurance Coverage Part

SPECIFIED LOSS SUSTAINED DATE

In consideration of the premium charged it is agreed that:

Section V. Discovery Period is deleted and replaced with:

V. DISCOVERY PERIOD

Subject to Section XV. Change in Control or Exposure of the Common Terms and Conditions and Section XI. Liability for Prior Losses of this Coverage Part, coverage under this Coverage Part is available for loss sustained on or after 10/01/2026 and **Discovered** during the **Policy Period**.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

© The Hanover Insurance Company. All Rights Reserved.

The Hanover Insurance Group

Endorsement

Issued To: WATERWOOD TOWNHOMES
Issued By: Hanover Insurance Company
Policy Number: BDD-M529527-00

Endorsement Number: 2708993
Effective Date: 09/28/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Crime Insurance Coverage Part

AGENT AS EMPLOYEE - EMPLOYEE THEFT SUBLIMIT OF LIABILITY

In consideration of the premium charged it is agreed that:

A. The Crime Insurance portion of Item 9. of the Policy Declarations is amended to include:

Agent of Insured Sublimit of Liability

Capacity of Agent: 3 Beal Management (Property Manager)

Agent Sublimit of Liability: $1,000,000

B. Solely for the purposes of this endorsement Section III. Definitions, **Employee** is amended to include:

Solely with respect to Insuring Agreement I.A.1. Employee Theft, **Employee** also includes any natural person, partnership or corporation the **Insured** appoints in writing to act as an agent in the capacity shown in the Crime Insurance portion of Item 9. of the Policy Declarations, while acting on the **Insured's** behalf or while in possession of covered **Money**, **Securities** or **Other Property**. Each agent who qualifies as an **Employee** and the partners, officers and employees of such agent are considered to be collectively one **Employee**. However, Exclusion IV.A.1., Prior Dishonesty, applies individually to each such agent.

C. Section VIII. Limit of Liability and Retention is amended to include:

The most the **Insurer** will pay for each loss is the Agent Sublimit of Liability stated in the Crime Insurance portion of Item 9. of the Policy Declarations, which is part of, and not in addition to, the Employee Theft Limit of Liability shown in the Crime Insurance portion of Item 9. of the Policy Declarations and is excess the applicable Retention.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

© The Hanover Insurance Company. All Rights Reserved.

The Hanover Insurance Group

Endorsement

Issued To: WATERWOOD TOWNHOMES

Issued By: Hanover Insurance Company

Endorsement Number: 2708993

Policy Number: BDD-M529527-00

Effective Date: 09/28/2026

THIS ENDORSEMENT IS ATTACHED TO AND CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:
Hanover Executive Advantage Pro Crime Insurance Coverage Part

CONDO AND HOA AUTOMATIC EMPLOYEE THEFT LIMIT INCREASE

In consideration of the premium charged it is agreed that:

Section VIII. Limit of Liability and Retention is amended to include:

In the event of a loss covered under Insuring Agreement I.A.1. Employee Theft, the Employee Theft Limit of Liability stated in the Crime Insurance portion of Item 9. of the Policy Declarations will automatically be increased by either twenty-five percent (25%) of the original Employee Theft Limit of Liability or to a total Limit of Liability of $125,000, whichever is less. In no event shall the automatically increased Employee Theft Limit of Liability be greater than $125,000 per loss.

All other Policy terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

© The Hanover Insurance Company. All Rights Reserved.