



CUSTOMER NUMBER:

RUN DATE: 06-20-09

JORDIE J. FULLER
5790 MIRAMAR RD #210
SAN DIEGO, CA 92121

INSURED

010 050 249707 09 00 000

PACIFIC PALMS HOA
C/O HILL TOP COMM EXECUTIVES
PO BOX 34398-205
SAN DIEGO, CA 92163



Dear Policyholder,

We sincerely appreciate that you've chosen Allstate Insurance Company to help protect your business, and we hope to continue assisting you with your insurance needs.

Enclosed is your Allstate Insurance Company renewal package. Your specific choices of coverage and coverage amounts appear on the Policy Declarations.

Your payment options are detailed on your payment notice. Please mail your payment to us by the due date indicated on the form. A return envelope has been enclosed for your convenience.

Thanks again for choosing us to help with your insurance needs. If you have any questions about your policy, please give your Allstate Agent a call.

Sincerely,



Thomas J. Wilson
President
Allstate Insurance Company

Enclosures

X5442-10



ALLSTATE CLAIM REPORTING

To report a claim on your Allstate Commercial policy, you may contact your agent for assistance or you may report your claim directly by contacting us at the following phone numbers.

To report a claim for:

Commercial Property/Casualty policies: 1(800) 359-1000



IMPORTANT NOTICE

The premium for your insurance policy is based on a variety of factors, including information you have given us. Factors which can affect your premium include, for example, how many buildings at the same location that are covered by your policy, the age of the buildings, and the type of construction. It is important that you notify us if the information upon which your premium is based is incorrect, incomplete, or changes. For example, improvements to loss control and prevention methods such as improving your sprinkler system, could reduce your premium. We encourage you to contact your agent from time to time to help ensure that you are receiving any premium reductions for which you may qualify.

We are pleased that you've chosen Allstate to help protect your business. Please note that this Important Notice provides only a general description of factors that apply or items that may reduce your premium. If you have any questions about these factors or items that may reduce your premium, please contact your Allstate agent.



Important Notice

The federal Terrorism Risk Insurance Act was amended on December 26, 2007, and extended through December 31, 2014. The Terrorism Risk Insurance Act, as amended (the federal Act), establishes a temporary federal Program (the federal Program) providing for a system of shared public and private compensation for certain insured commercial property and casualty losses resulting from a certified "act of terrorism" as defined by the federal Act.

Your insurance coverage includes coverage for losses caused by a certified "act of terrorism" to which the federal Program applies. This coverage is subject to all other terms, conditions, limitations, and exclusions of your policy.

As a result of the amendments to the federal Act, portions of your insurance coverage have changed. Your policy has been revised to reflect the changes discussed below:

- The definition of a certified "act of terrorism" has been changed. The amendments to the federal Act revised the definition of a certified "act of terrorism" to eliminate the requirement that the individual(s) committing the act of terrorism is acting on behalf of any foreign person or foreign interest. The federal Act now defines an "act of terrorism" as an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States, 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 of the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- The federal Act now provides that until at least 2014, the insured losses caused by certified "acts of terrorism" to which the federal Program applies would be partially reimbursed by the United States Government under a formula established by the federal Act. Under that formula, the United States Government pays 85 percent of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.
- The federal Act now requires that we provide you with clear and conspicuous disclosure of the federal Act's \$100 billion cap. If aggregate insured losses attributable to terrorist acts certified under the federal Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the federal Act we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

If you have any questions regarding this notice, the endorsement or your policy in general, please contact your Allstate representative.

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ALLSTATE INSURANCE COMPANY

RENEWAL DECLARATIONS

CUSTOMIZER POLICY NO. 050 249707
SPECIAL FORM

1. **The Insured** PACIFIC PALMS HOA
C/O HILL TOP COMM EXECUTIVES
Mailing Address PO BOX 34398-205
SAN DIEGO, CA 92163

LOCATION OF INSURED PREMISES: 4010-4018 IOWA ST
SAN DIEGO, CA 92104

MASONRY

CONDOMINIUM

2. **Policy Period from 08/29/2009 to 08/29/2010**
Beginning and ending 12:01 A.M. , Standard Time at the address of the insured stated above.

3. **The Insured is a ASSOCIATION**

4. **ADDITIONAL INTERESTS**
This policy also covers the interests of any of the following when indicated by an "X" and named below.

- | | | |
|--|---|--------------------------------|
| <input type="checkbox"/> The Mortgagee under Coverage A - Part One | <input type="checkbox"/> The Loss Payee under Coverage A - Part Two | <input type="checkbox"/> Other |
| <input type="checkbox"/> The Additional Insured for Leased Premises, under Coverage B - Part One | <input type="checkbox"/> The Vendor under Coverage B - Part One | |

Name _____
Address _____

5. **POLICY COVERAGES**
This policy applies to each of the Coverages and Parts shown below. Under Coverage A, Coverage is provided only for property at the Insured Premises for which a specific limit of liability is shown.

Coverage A - Business Property		
Part One	Buildings REPLACEMENT COST The Property Insurance Adjustment Condition <u>IS</u> applicable to this policy	Limits of Liability \$957,000
Two	Business Contents	
	DEDUCTIBLE \$500 applicable to each adjusted loss	

Coverage B - Business Liability		
Part One	Comprehensive Liability	Limits of Liability \$2,000,000 EACH ACCIDENTAL EVENT
	Fire and Specified Peril Legal Liability	\$50,000 EACH ACCIDENTAL EVENT
	Advertising Injury Liability	\$100,000
Two	Medical Payments	\$5,000 EACH PERSON \$25,000 EACH ACCIDENT

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(Ed. 1-08)

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6. OPTIONAL COVERAGES

The following optional coverages, if any, are provided under this policy.

Coverage	Location(s)	Limits of Liability
BOARD OF MANAGERS LIABILITY	ALL	SEE COVERAGE B - PART 6
EMPLOYEE DISHONESTY	ALL	SEE COVERAGE A - PART 6 - \$10,000
EMPLOYER NON-OWNER AUTO LIABILITY	ALL	SAME AS COVERAGE B - PART 3
REPLACEMENT COST SAFEGUARD	ALL	SEE COVERAGE A - PART 1
TERRORISM COVERAGE	ALL	

7. Annual Premium for the Policy and Optional Coverages

\$2,972.00

**--SEE THE IMPORTANT PAYMENT INFORMATION FORM BU5857
 FOR DETAILS ABOUT PAYMENT OPTIONS AND INSTALLMENT FEES--**

The portion of the annual premium shown above that is attributable to coverage for losses caused by "acts of terrorism" to which the Program established by the Terrorism Risk Insurance Act, as amended, applies is \$19.00 . **SEE DISCLOSURE NOTICE ON PAGE 4 OF 4.**

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RENEWAL DECLARATIONS

**CUSTOMIZER POLICY NO. 050 249707
SPECIAL FORM**

8. ENDORSEMENTS

The following endorsements amend this policy.

BU5550A	BU5583-1	BU5651-8	BU5754	BU5756-1
BU5766	BU5767	BU5795	BU4258-1	BU5551
BU5552	BU5564-1	BU5622	BU5697	BU5770
BU5783-1	CL470A	BU5857		

PROPERTY INS. ADJ. INCREASED BUILDING COVERAGE.

PROCESS DATE: 06/20/2009 RCC: 50

Countersigned by JORDIE J. FULLER

Authorized Agent

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**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

The federal Terrorism Risk Insurance Act, as amended, (the federal Act), establishes a temporary federal Program (the federal Program) providing for a system of shared public and private compensation for certain insured commercial property and casualty losses resulting from "acts of terrorism," as defined in the federal Act.

The federal Act defines an "act of terrorism" as an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States, 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 of the United States in the case of certain air carriers or vessels or on the premises of a United States mission; and to have been committed by an individual or individuals, as a 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 SHARE OF COMPENSATION FOR INSURED LOSSES

Insured losses caused by "acts of terrorism" to which the federal Program applies would be partially reimbursed by the United States of America under a formula established by the federal Act. Under that formula, the United States of America pays 85 percent of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceeds \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

DISCLOSURE OF PREMIUM

[X] Your insurance coverage includes coverage for losses caused by "acts of terrorism" to which the federal Program applies (subject to policy terms, conditions, limitations and exclusions). The portion of your annual premium that is attributable to coverage for losses caused by "acts of terrorism" to which the federal Program applies is \$19.00 .



Coverage A - Business Property
Coverage B - Business Liability

**Limited Exclusion for Non-Certified Acts of Terrorism;
Cap on Certified Acts of Terrorism;
Certain Coverage For Fire Losses**

This endorsement modifies insurance provided under the following:

Customizer - Special Form
Customizer - Builder's Risk Form

A. The following changes apply to Coverage A - Business Property:

Under **Losses We Do Not Cover**, the following is added:

1.f. Non-Certified Acts of Terrorism

We will not pay for any loss or damage caused directly or indirectly by a **non-certified act of terrorism**. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to loss. But, with respect to a **non-certified act of terrorism**, this exclusion will only apply when one or more of the following are attributed to such an act:

1. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
2. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.
3. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and loss of income-rents sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

With respect to this Item 3., the immediately preceding paragraph describes the threshold used to measure the magnitude of a **non-certified act of terrorism** and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When this exclusion applies to a **non-certified act of terrorism**, there is no coverage under this form.

If a **non-certified act of terrorism** results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to the direct loss or damage by fire to covered property. This exception does not apply to insurance provided under loss of income-rents coverage which may be provided under this form.



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

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, does not serve to create coverage for any loss which would otherwise be excluded under this form, such as losses excluded by the Nuclear Exclusion or War and Government Seizure Exclusion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to the amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. The following changes apply to Coverage B - Business Liability:

Under **Coverage B - Exclusions**, the following is added:

3. Non-Certified Acts of Terrorism

We will not cover accidental events, personal injury or advertising injury or medical expenses due to a **non-certified act of terrorism**. However, this exclusion only applies if one or more of the following are attributable to such an act:

1. The total insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all person and entities affected by the terrorism and loss of income-rents sustained by owners and occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - i. Physical injury that involves a substantial risk of death; or
 - ii. Protracted and obvious physical disfigurement; or
 - iii. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation, or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, paragraphs 1. and 2. immediately preceding describes the threshold used to measure the magnitude of an incident of a **non-certified act of terrorism** and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion

will apply to that incident. When this exclusion applies to a **non-certified act of terrorism**, there is no coverage under this form.

In the event of any incident of a **non-certified act of terrorism** that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this form.

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

C. The following definitions are added to the General Section under **Definitions**:

1. **Certified Act of Terrorism** means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act, as amended. The criteria contained in the Act for a **certified act of terrorism** include the following:
 - a. The act resulted in aggregate losses in excess of \$5,000,000 in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended; and
 - b. 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.
2. **Non-Certified Act of Terrorism** means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act, as amended. However, a **non-certified act of terrorism** does not include an act which meets the criteria set forth in paragraph b. of the definition of a **certified act of terrorism**, when such act resulted in aggregate losses of \$5,000,000 or less. Multiple incidents of a **non-certified act of terrorism** which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident.



Coverage A - Business Property

**CONDOMINIUM ENDORSEMENT
(SUPPLEMENTAL PROPERTY COVERAGE)**

Property Covered

PART ONE - BUILDING(S), when designated an "X" in the box(es) of this endorsement, the Condominium Endorsement is amended as follows:

Improvements and alterations covered under 1(h) of Part One - Building(s) is deleted. This provision does not apply to any property described in 1(h) in which each of the condominium unit owners has an undivided interest.

Property We Do Not Cover under 3(a) is deleted and replaced with the following: 3(a), Except as provided under 1(h) of Part One - Building(s), property owned by, used by or in the care, custody or control of a unit-owner.

It is further agreed that property covered under 1(h) of Part One Building(s) is **not limited** to items which were initially installed or replaced in accordance with the original condominium plans and specifications.

If other, Describe:



Important Payment Information

Payment Options - Choose the payment option that best meets your needs.

Option 1 - You can pay your premium in full. The "To Pay In Full" amount will be shown on your bill.

Option 2 - You can pay your premium in Three Installments

Initial Bill 40% of Premium - Due on the Effective Date of the Policy.

Second Bill 30% of Premium - Due three months after the Effective Date

Third Bill 30% of Premium - Due six months after the Effective Date

Each Current Amount Due will include a \$ 3.50 payment fee.

Option 3 - You can pay your premium in Nine Installments

Initial Bill 25% of Premium - Due on the Effective Date of Policy

Bills Two through Eight 10% Each - Due on the same day of the month as the Effective Date of the Policy each month

Final Bill 5% of Premium - Due eight months after Effective Date

Each Current Amount Due will include a \$ 3.50 payment fee.

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