

MEMO

TO: Mortgage Processors

FROM: MICHAEL ABDOU INSURANCE AGENCY
7850 Mission Center Ct #103
San Diego, CA 92108-1328
(619)293-7779
FAX: (619)298-7523

The master insurance policies for this community include the following:

- 1) Building Ordinance or Law Coverage / Contingent Liability
 - a) Loss in Value
 - b) Increased Cost of Demolition
 - c) Increased Cost of Construction
- 2) Separation of Insureds (Severability of Interests)
- 3) Property management is named additional insured on General Liability, Directors & Officers (D&O), and Fidelity (crime) coverage.
- 4) Property coverage is Special Form/All-Risk unless otherwise indicated.
- 5) Mechanical Breakdown, A.K.A. Boiler & Machinery is included when indicated.

Other Information:

"GRC" means Guaranteed Replacement Cost (coinsurance waived)

"AAV" means Agreed Amount Value (coinsurance waived)

"RCV" means Replacement Cost Value

"ERC" means Extended Replacement Cost

Unit Owners Coverage Information (Coverage per CC&Rs):

"All-In" means including betterments and improvements

"Single Entity" means including unit interiors, but excluding betterments

"Bare Walls" means excluding unit interiors beyond unfinished surfaces.

Policy Cancellation Provisions:

There is a 10 day notice of cancellation for non-payment of premiums, and a 30 day notice of cancellation for all other reasons to the Association Insurance Trustee.

Lender's Loss Payable Endorsement

1. Loss or damage, if any, under this policy, shall be paid to the Payee named in the Declarations of this policy, its successors and assigns, hereinafter referred to as "the Lender", in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agent of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding here from, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefore. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefore exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate this Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.
6. This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.
7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described in the Declarations of the policy.

Approved:
Board of Fire Underwriters of the Pacific,
California Bankers' Association,
Committee on Insurance.



FARMERS



Michael Abdou Insurance Agency, Inc.
Farmers Commercial Agency of the Year!
Phone: 619.293.7779 | Fax: 619.298.7523
7850 Mission Center Ct., Ste 103
San Diego, CA 92108-1323
CA #0C73864 | AZ #172886 | NV #671529

Dear Unit Owner,

Welcome to the Michael Abdou Insurance Agency, Inc. I am the agent of the Master Condominium Insurance Policy for your association. I invite you to take advantage of my agency's *Farmers Friendly Review* to make sure that you are properly protected as a Condominium Unit Owner. Remember, the master insurance policy does not provide the following coverage for your personal condominium:

INSURANCE COVERAGE NEEDS FOR CONDOMINIUM UNIT OWNERS

Personal Liability coverage pays for bodily injuries to other people or damage to their property if you are liable resulting from unintentional acts committed by yourself or qualified family members, including but not limited to sporting activities and acts of your pet(s).

Personal Property coverage with replacement cost covering personal belongings as the association master policy does not cover a unit owner's personal property

Loss of Use will pay the unit owners living expenses while the unit is not habitable due to an insured loss (i.e. housing, food, utilities, etc. in the event of a fire).

Unit Owner's Building Property can be covered as the association's policy may not provide for complete coverage of the unit interior fixtures or upgrades. This Coverage may pay for an individual claim against the master policy deductible.


Loss Assessment will pay the owner's share or portion thereof, of assessments levied to all unit owners in the event of an insured loss exceeding the master policy limits.

Personal Earthquake Insurance you may obtain supplemental earthquake coverage for your personal unit through the California Earthquake Authority.

Personal Umbrella Liability coverage provides additional liability above the underlying limits of your personal liability. Where available, coverage may extend for Loss Assessments over \$50,000.

Each Homeowners Association and their respective Master Policies have various exclusions in regards to the coverage of your real estate investment. Among many of the common exclusions are **Unit Improvements, Personal Property, and Personal Liability**. As each owner's needs vary, please contact my office to complete your *Farmers Friendly Review* by phone or in person.

Sincerely,


Michael Abdou, President
Michael Abdou Insurance Agency, Inc



**Members of the Farmers Presidents Council are a select group of agents and district managers
Who demonstrate expertise in providing insurance to the American Public**



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¡Atencion Dueños de Unidades de Condominios

Bienvenidos a la agencia de Michael Abdou Insurance Agency, Inc. Soy su agente de la póliza principal (Master Policy) de su asociación de condominios. Los invito a que tomen ventaja de nuestro programa gratuito *Farmers Friendly Review (Revisión de Farmers Amigable)*, para asegurar que tenga la protección necesaria como dueño de una unidad de condominio.

Coverturas Necesarias de Aseguranza Para Un Propietario Residente de Una Unidad de Condominio

Aseguranza contra daños a terceros cobertura paga gastos medicos a lesionados otras personas, o daños de propiedad ajena por la cual usted se encuentra responsable por actos que no son intencionales cometidos por usted o miembros calificantes de su familia, incluyendo pero no limitado a actividades de deportes y actos causados por su animales.

Propiedad Personal cobertura con gastos para reemplazar cubriendo su artículos personales. Articulos personales no están cubiertos bajo la póliza principal de la asociación a dueños de unidades (por ejemplo: muebles y ropa).

Pérdida de Uso la compañía pagará los gastos adicionales de hospedaje si su unidad se encuentra inservible por causa de un reclamo cubierto bajo la póliza personal (por ejemplo, esto puede cubrir hospedaje, comida, y utilidades despues de un incendio).

Covertura para propiedad de edificio que le pertenece al dueño Puede cubrir cuando la póliza de la asociación no incluye daños mejoraci del dueño como techos, pizos, paredes, pintura, y gabinetes. Cobertura puede pagar un reclamo individual contra la póliza principal de la asociación.

Pérdidas por asesoría pagará la porción que le pertenece al dueño de la unidad por causa de asesoría contra todos los dueños de unidades causados por un reclamo donde los gastos exceden los limites de la póliza principal de la asociación.

Cubres de terremoto usted puede obtener una póliza adicional para cubrir sus efectos personales en caso de terremoto por medio del California Earthquake Authority

La Umbrella Personal de Obligación proporciona obligación adicional encima de los límites fundamentales de su obligación personal. Dónde disponible, la cobertura puede extender para Evaluaciones de Pérdida más de \$50.000.

Cada Asociación de Unidades y sus respectivas pólizas principales tienen varias exclusiones con respecto a la cobertura de su inversión en bienes raíces. Unas de las exclusiones más comunes son las mejoras a su unidad, propiedad personal y daños a terceros.

Atentamente,

Claudia Ortega, Agente Bilingüe
Michael Abdou Insurance Agency, Inc.



Los miembros de Farmers Concilio Presidencial es un grupo selecto de agentes y representantes regionales. Que demuestran conocimiento practico en proporcionar seguro al público norteamericano.