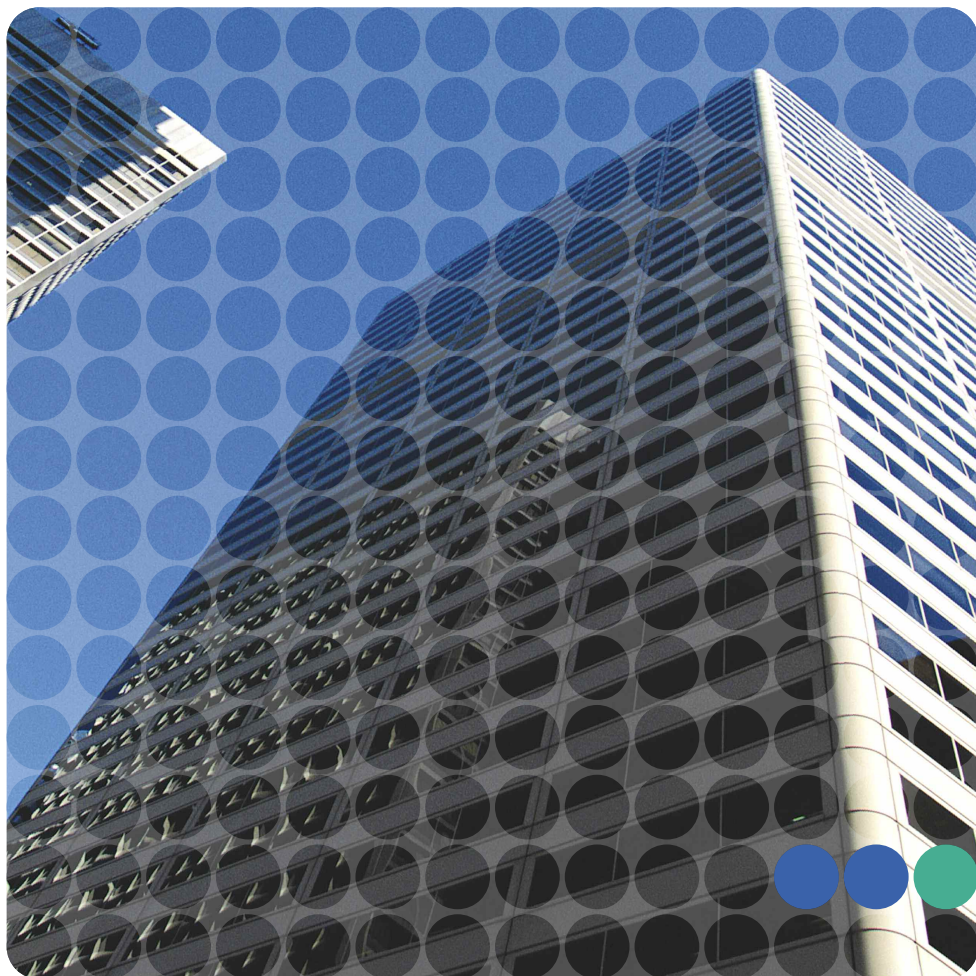


Zurich Condominium

General Conditions of Guarantees



Welcome to Zurich

We would like to welcome you to the company and remind you that we are always available to help you with anything you need.

Zurich is committed to giving you the finest service whenever you need it with fast and effective solutions and clear information.

In these terms and conditions you will find a detailed description of what is in your new Zurich Condominium insurance.

Zurich HelpPointTM

ZURICH CONDOMINIUM

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I. Legal regulations

Insurance company and authority supervising its operations

Zurich Insurance Public Limited Company is an insurance company registered in Ireland with Registration No. 13460, whose registered office is Zurich House, Ballsbridge Park, Dublin 4, Ireland. It is supervised and registered by the Central Bank of Ireland, and authorised to operate in Spain under the right of establishment through its branch Zurich Insurance plc, Sucursal en España.

Zurich Insurance plc, Sucursal en España, holder of NIF W0072130H, whose registered address is Vía Augusta 200, 08021 Barcelona, is registered in the Administrative Registry of the General Insurance and Pension Funds Directorate with code no. E0189.

Pursuant to Article 81.1 of the Organisation and Supervision of Private Insurance Act 6/2004 of 29 October, it is hereby stated that in the event of the liquidation of the insurer, Spanish liquidation legislation does not apply.

Applicable legislation

- Insurance Contract Act 50/80, dated 8 October.
- Organisation and Supervision of Private Insurance Act 6/2004, dated 29 October.
- Insurance Compensation Consortium Legal Statute Regulation Act 7/2004, dated 29 October.
- Any other regulation that might be applicable during the lifetime of this policy.

Complaints and claims

Complaints and claims as regulated by Ministerial Order ECO 734/2004 may be submitted to the company's Customer Service Department or to the Customer Ombudsman, whose Regulations are available on our website.

The Customer Service Department will have a period of two months from when the complaint or claim is filed in which to issue its decision. When this period expires, the claimant may appeal to the Complaints Service in the General Insurance and Pension Plans Directorate if applicable.

Cancellation clause for distance contracts

In the case of insurance that is taken out exclusively by means of distance communication media, and for purposes other than the insured's business or professional activities, the insured may cancel the distance contract within fourteen calendar days of it being signed, provided that the adverse event covered by the insurance has not occurred, without stating their reasons and without penalisation, in compliance with Article 10 of the Distance Marketing of Financial Services for Consumers Act 22/2007. To exercise this right the insured should write to the insurer. The insurer reserves the right to retain the

part of the premium which is proportional to the cover period. The right of cancellation will not be applicable to compulsory insurance, travel or luggage policies lasting less than a month, or to ones whose effect terminates within the fourteen calendar day period.

Protection of personal details

Personal details will be stored in files owned by Zurich Insurance, plc, Sucursal en España, and its parent company Zurich Insurance, plc., whose purpose is and may be the proposal, completion, maintenance and control of the insurance contract and the carrying out of statistical studies, quality studies, technical analysis, the management of coinsurance if applicable and fraud prevention and processing by the parent company for the prevention of money laundering or the financing of terrorism.

Your personal details are provided voluntarily but are nonetheless necessary for the implementation of the contractual relationship. At any time you may exercise your rights of access, rectification, cancellation and opposition by writing to the contracting company which is responsible for the files and their processing, and whose address for this purpose is Vía Augusta 200, 08021-Barcelona.

Likewise, your personal details will also be used to enable Zurich Insurance plc Sucursal en España, Zurich Vida and Aide Asistencia, and other companies legally linked to the aforementioned organisations and through their authorised intermediaries, to offer products and services and to send information about products, goods or services which are marketed by other organisations and which, according to the personal details you have given us, may best meet your needs. If you do not wish your personal details to be used for this purpose, please tell us by writing to **zurichlopd@zurich.com**.

The applicant expressly states their agreement to all of the foregoing.

II. What should you do in the event of a loss?

You are reading the Zurich-Condominium policy which you have taken out with our company.

What covers do you get with the insurance?

You will find a summary of the Terms and Conditions on page 7.

Check the content of the covers wording in articles 2, 3, 4, 5 and 7.

What should I do in the event of a loss?

The purpose of your insurance policy is to help you and to compensate you financially in the event of a loss.

Once a loss has occurred, we recommend that you do the following:

- Use all means within your power to minimise its consequences.
- Read the "Purpose and Scope of the Insurance" section of your policy carefully and make sure that the loss really is covered.
- Contact your broker and give a detailed explanation of what caused the loss and what its consequences are.
- Send the claim report form to us as soon as possible giving as detailed an account as you can of any damage sustained.
- Make a statement to the judicial authorities or report the incident to the police, depending on the type of claim, stating the date and time when it occurred, its causes and circumstances, the damaged objects and the approximate extent of damage.

III. Summary of covers and maximum compensation limits on the sum insured

(This summary of covers is not intended to be exhaustive and is given for information purposes only. For full information about the covers you should refer to the Terms and Conditions, articles 2, 3 and 4).

I) BASIC COVERS	Building (*)
• Fires.	100%
• Explosion.	100%
• Lightning.	100%
• Vandalism.	100%
• Flooding.	100%
• Atmospheric phenomena.	100%
• Smoke or soot.	100%
• Collision, impact and sonic booms.	100%
• Leakage of automatic fire extinction installations.	100%
• Leakage of fuel.	100%
• Salvage.	100%
• Debris removal and demolition.	100%
• Mud and sludge removal.	100%
• Fire service.	100%
• Loss of use.	15%
• Loss of rent.	15%
• Removal of community furniture.	10% of the sum insured for Building Maximum €12,000
• Replacement of documents.	€600
• Burglary and robbery.	100%
• Breakage of windows and glass.	See cover in article 2.20
• Water damage to community property.	See cover in article 2.21

I) BASIC COVERS (continued)

Building (*)

- Public liability for community water damage. €100,000
- Civil liability, bonds, defence and claims. Sum insured stated
in the Schedule
- Accidents suffered by domestic staff Sum insured stated
in the Schedule
- Supplementary covers: See cover
in article 2.25
- Electrical damage. See cover
in article 2.26

(*) Community content included up to 1% with a limit of €12,000.

II) OPTIONAL COVERS

- Water damage to private property. See cover
in article 3.1
- Public liability for private water damage €100,000
- Legal defence Sum insured stated
in the Schedule

IV. Terms and conditions

(Mod. 2/2.01.03.36 MAY2010)

Article 1. Definitions

As used in this contract the following words shall have the meanings given below:

Hold-up. See Robbery.

Horizontal construction. Building with common installations made up of townhouses that are no more than three storeys tall.

Community content. Content belonging to the Community consisting of implements, tools and furniture in the common areas of the property for the use of the co-owners. The value of the same must be part of the sum insured for building.

Building. The building used for housing units and/or office space stated in the schedule of the policy, which does not contain business units used for industrial or hazardous activities and of which no more than 25% of its floor area is occupied by businesses. Included are all installations that are part of the building such as water, natural gas, electricity, solar energy and telephones up to their connection to the public grid, heating, lifts, and in general all components which are fixed to the building and cannot be separated from it without being broken or damaged.

The following are considered to be part of building: wall-to-wall carpeting, paintings, hangings, wallpaper, parquet, wood or any other objects for use and decoration placed in the building by the community, with the manifest purpose of locating them permanently in the same, as well as other annexed structures and fixed installations of the building such as those used to detect and prevent fire or burglary up to entry into private areas, gates, fences, walls (including the retaining walls of the property), trees, pools, garage and storage rooms. Also considered part of the building are carpets, paintings, hangings and tapestries, wallpaper, woodwork or other objects for use and decoration installed on an individual basis by the co-owners and/or users of the homes and non-commercial units that make up the insured building, up to 5% of the sum insured for each of the homes or non-commercial units depending on their aliquot share in the community.

In accordance with the basic and optional covers, the following are included in the sum insured for building and must form part of the same:

- The retaining walls of the property are covered up to 10% of the sum insured for building.
- Community content owned by the Community and in common areas used by all the co-owners, with a limit of 1% of the sum insured for building and up to a maximum of €12,000.

- Any gardens and trees around the insured building that are owned by the Community, either in whole or in the part belonging to the Community, with a limit of 1% of the sum insured for building and a maximum of €12,000.
- Community satellite dishes and solar energy installations up to the limit of 1% of the sum insured for building and a maximum of €6,000.

Office building. Building in which all units have been designed and built to be used as offices, except for those used for commercial purposes.

Residential building. Building in which all units have been designed and built to be used as homes, except for those used for commercial purposes.

Mixed-use building. Building in which all units have been designed and built to be used as offices or as homes, except for those used for commercial purposes.

Explosion. Sudden and violent action of the pressure and/or fall in pressure of gas or steam.

Robbery. Unlawful seizure or taking of the property covered by the policy against the will of the Insured by means of acts of intimidation or violence towards people.

Theft. Seizure or taking of property, against the will of the Insured, without breaking and entering or violence or intimidation towards people.

Fire. Combustion and burning by flame, capable of spreading from one object or objects that were not designed to be burned in the place and at the time that it happened.

Property. See Building.

Urban area. Set of dwellings made up of a minimum of 50 homes or 250 inhabitants which has all public lighting, water and sewerage services. All homes that are less than 1 km from an urban area will be deemed to be part of that urban area.

Condition of average. If in the event of a loss the sum insured is less than the value of the insured property, the compensation shall be reduced by the same proportion.

Burglary. Unlawful seizure or taking of the property covered by the policy against the will of the Insured by means of acts which involve breaking and entering, including the use of picklocks, false keys or other instruments not normally used to open doors; or by secretly or clandestinely entering the home without the knowledge of the Insured, their family or employees, in order to commit the offence when the home is closed and locked.

Insurance at first loss. Method of insurance whereby the risk is covered up to a specified amount regardless of the total value, without applying the condition of average.

Insurance at total value. The sum insured in the policy is the same as the total value of the insured item.

Value as new. This is the cost of acquisition or rebuilding as new in the condition which the insured property was in immediately prior to the occurrence of the loss.

Actual value. This is determined by subtracting depreciation for age, use and wear and tear from value as new.

Single-family home. House built to accommodate just one family and with one or more storeys.

Article 2. Purpose and scope of the insurance: basic covers

The maximum limit of compensation for the set of covers in the policy, including all expenses, may not under any circumstances exceed the sums insured indicated in the Schedule under the heading of Building, except for cover 2.23 Public liability, bonds, defence and claims, and 2.24 Accidents suffered by domestic staff, whose maximum limits are stated in the Schedule.

Within the limits set out in these terms and conditions, the Schedule and special clauses, the insurance provides cover against the following risks:

2.1. FIRE

Direct material losses resulting from the disappearance, destruction or deterioration of the property in the insured building due to fire, which is defined to be the burning and scorching by flame that can spread of an object or objects that were not designed to be burned in the place and at the time that it happened.

The following are not covered:

- a) Damage and simple burns caused by the mere action of heat when there is no flame.
- b) Damage suffered by objects because they fell into a fire that was burning in its proper place.
- c) Damage to electrical devices and lines and their accessories due to causes inherent in their operation or due to electricity or lightning strike whose cover is subject to the provisions of section 2.26.

Sum insured: up to 100% of the sum insured for building.

2.2. EXPLOSION

This covers direct material losses resulting from the destruction of or damage to the property in the insured building resulting from explosion, even without fire, this being deemed to be the sudden and violent action of the pressure or fall in pressure of gas or steam.

Also covered are direct material losses suffered by heating boilers and pipes and other fixed installations that are a part of the building resulting from their explosion.

Damage to light bulbs, lamps or similar objects resulting from the explosion of the same is not covered.

Sum insured: up to 100% of the sum insured for building.

2.3. LIGHTNING

Direct material damage sustained by property in the insured building resulting from lightning even when fire does not occur is covered, except for damage to appliances, electrical lines and their accessories.

Lightning means a violent electrical discharge produced by a disturbance in the atmosphere's electrical field.

Sum insured: up to 100% of the sum insured for building.

2.4. VANDALISM

This covers direct material damage suffered by property in the insured building due to acts of vandalism or malicious actions committed individually or collectively by people other than the insured co-owners, tenants and the people who depend on or live with them.

Direct material damage sustained by property in the insured building as a result of legal strikes, meetings and demonstrations carried out in compliance with prevailing legislation, and unless the aforementioned actions take the form of a riot or civil disturbance, is also included.

The following are not covered:

- a) Losses arising from theft or unlawful taking away as well as damage caused by burglary or attempted burglary.
- b) Damage or costs of any kind related to graffiti, bill sticking or analogous events occurring on the outside of the building or to property that is outdoors.
- c) Breakage of windows and glass whose cover is subject to the provisions of cover '2.20. Breakage of windows and glass'.
- d) Damage caused to trees, plants and other components of community gardens, as well as that caused to vehicles.

Sum insured: up to 100% of the sum insured for building.

2.5. FLOODING

Direct material damage sustained by property in the insured building on the occasion of or as a result of the overflowing or deviation of the normal course of water flowing from lakes without a natural outlet, canals, irrigation ditches or other man-made above-ground watercourses, sewers, collectors and artificial underground watercourses when they overflow, burst, break or break down, provided that these events are not caused by extraordinary risks or phenomena which are covered by the Insurance Compensation Consortium.

The following are not covered:

- a) Damage caused by overflowing or breakage of dams, reservoirs, containment berms or any other system of natural water retention.
- b) Damage caused by non-channelled underground water.
- c) Damage caused by landslides.
- d) Damage caused by the direct action of rainwater or water from melting and thawing.

Sum insured: up to 100% of the sum insured for building.

2.6. ATMOSPHERIC PHENOMENA

This covers direct material damage caused to insured property by rain (provided that precipitation levels exceed 40 litres per square metre per hour), wind (provided that wind speeds exceed 75 km per hour), hailstorms or snowfall, provided that such phenomena occur abnormally and that the nature or intensity of the atmospheric disturbances means that it is deemed to be atypical or abnormal. The classification of these phenomena shall be certified basically by reports issued by the competent official bodies. Nonetheless, in cases in which the abnormality of the atmospheric phenomenon for the place or area where the insured risk is located is not completely certified by the reports issued by these official bodies, it will be necessary to provide proof to the Insurer that other well-built properties within a 2 km radius of the insured risk have been destroyed or damaged by the same atmospheric phenomenon, unless this is already known to the Insurer.

Not included under this cover is damage caused:

- a) By snow, water, sand or dust that enters through doors, windows or other openings that have not been closed or whose closing mechanism is defective.
- b) By freezing, cold, ice, waves or the tide, even when these phenomena have been caused by the wind.
- c) The breakage of windows, glass or signs which are included under the terms of cover 2.20 Breakage of windows and glass.
- d) To property located outdoors or inside open structures.
- e) By construction faults or defects or by a lack of the maintenance required for the upkeep of the property, especially after the occurrence of a loss.
- f) To trees, plants and other items in community gardens.
- g) Due to seepage, rusting or damp which have occurred gradually.

Sum insured: up to 100% of the sum insured for building.

2.7. SMOKE OR SOOT

This covers direct material damage caused to property in the insured building by smoke or soot brought about by sudden and abnormal leaks, whether or not they are the result of a fire.

Not included under this cover is damage caused by the following:

- a) Due to the continued action of smoke or soot.
- b) Due to smoke or soot from fireplaces, heating or cooking systems or industrial devices during their normal operation.

Sum insured: up to 100% of the sum insured for building.

2.8. COLLISION, IMPACT AND SONIC BOOMS

This covers direct material damage caused to property in the insured building by the collision or impact of land vehicles or from merchandise transported by them as well as by falling spacecraft or aircraft or objects that fall from them. Also covered is the direct impact on the insured property of sonic booms from spacecraft or aircraft when they break the sound barrier.

The following are not covered:

- a) Damage caused by vehicles, spacecraft and aircraft, as well as by any objects that are transported in or on them or that fall from them, that are owned by or in the possession of or controlled by the Insured, tenants or people who depend on or live with them.
- b) Breakage of windows and glass whose cover is subject to the provisions of cover '2.20. Breakage of windows and glass'.

Sum insured: up to 100% of the sum insured for building.

2.9. LEAKAGE FROM AUTOMATIC FIRE EXTINGUISHING SYSTEMS

This covers direct material damage sustained by property in the insured building resulting from leakage, faulty sealing, seepage, breakage, falling, collapse or general breakdown of the automatic fire extinguishing systems in the building that use water or any other extinguishing agent.

Not covered are:

- a) Damage to the automatic fire extinguishing system in those parts where the overflow, leakage or seepage took place.
- b) Damage due to the use of the installation for purposes other than the automatic putting out of fires.
- c) Damage caused by underground pipes or those located outside the insured building.

d) Damage caused by manufacturing defects, construction faults or by lack of maintenance or upkeep.

Sum insured: up to 100% of the sum insured for building.

2.10. LEAKAGE OF FUEL

This covers direct material damage caused to property in the insured building resulting from accidental spillage of liquids stored in fixed fuel tanks or containers for heating that is the result of unexpected and sudden breakage of the containers or of the pipes which are an integral part of them.

Not covered are:

- a) Damage caused by manufacturing defects, construction faults or by lack of maintenance or upkeep.
- b) Damage arising from a failure to switch off hydrants, stopcocks, valves and other safety devices or from a defect in the sealing or caulking of joints and screw connections.

Sum insured: up to 100% of the sum insured for building.

2.11. SALVAGE

The Insurer shall pay for the cost of salvaging property in the insured building and any damage sustained in the course of the same, including damage resulting from measures taken by the authorities, the co-owners or tenants in the Community to minimise the consequences of the loss, provided that these costs are incurred due to a loss covered by the policy.

The Insurer will also meet the costs of salvaging property in the insured building in the event that this property is likely to be affected by a loss originating outside the insured building and needs to be salvaged in order to prevent it sustaining damage.

Sum insured: up to 100% of the sum insured for building.

2.12. DEBRIS REMOVAL AND DEMOLITION

The cost of debris removal from the property in the insured building and if necessary the cost of the demolition of the damaged building are covered provided that these costs are incurred due to a loss covered by the policy.

Not covered are the costs of debris removal and demolition of any non-damaged part of the insured building as a result of any by-laws or other laws regulating the construction, repair or maintenance of buildings.

Sum insured: up to 100% of the sum insured for building.

2.13. MUD AND SLUDGE REMOVAL

The costs of mud and sludge removal are covered provided that these costs are incurred due to a loss covered by the policy.

Sum insured: up to 100% of the sum insured for building.

2.14. FIRE BRIGADE

The Insurer shall pay the municipal fee for the action of the fire brigade as well as for any damage caused by the fire brigade to the insured building while carrying out their work, provided that this is sustained due to a loss covered by the policy.

Sum insured: up to 100% of the sum insured for building.

2.15. LOSS OF USE

When due to a covered loss it becomes impossible to use one or more of the business units or homes in the insured building, the Insurer will meet the cost of temporary accommodation in a rented business unit or home of similar characteristics to the business unit or home affected by the loss during the time normally required to restore the unit or home, together with the cost of moving furniture and other items forming part of content if this should prove to be necessary.

The cost of temporary accommodation will only cover the cost of renting business units or homes which have no furniture or other items forming part of content.

In the event that a damaged business unit or home is occupied by a tenant, the loss of rent due to the loss will be deducted from the compensation for loss of use of the business unit or home.

Loss adjusters will determine the evacuation period which **is restricted to a maximum of 12 months**.

To determine the sum insured for each damaged business unit or home, the sum insured for the building will be multiplied by the rate that the business unit or home represents according to the deed for the joint freehold of the building. The 15% cover indicated in the 'Sum insured' section will then be applied to the resulting figure.

This cover is subsidiary to any cover which each of the co-owners or tenants may have taken out individually.

Not covered are business units or homes that at the time of the loss are not habitually occupied by their owner or tenant.

Sum insured: up to 15% of the sum insured for building established for each affected business unit or home in accordance with the provisions of this article.

2.16. LOSS OF RENT

When due to a covered loss it becomes impossible to use one or more of the business units or homes in the insured building, the Insurer will cover the loss of rent that would have been paid under the rental agreement in force on the date of the loss for the time that it is normally impossible to use the same due to repairs.

In the event that the affected unit or home which has the right to compensation is rented furnished or with other content items, only rent for the building, and under no circumstances rent for content, will be taken into account when calculating compensation under this cover.

Loss adjusters will determine the compensation period which **is restricted to a maximum of 12 months**.

To determine the sum insured for each damaged business unit or home, the sum insured for the building will be multiplied by the rate that the business unit or home represents according to the deed for the joint freehold of the building. The 15% cover indicated in the "Sum insured" section will then be applied to the resulting figure.

This cover is subsidiary to any cover which each of the co-owners or tenants may have taken out individually.

Sum insured: up to 15% of the sum insured for building established for each affected business unit or home in accordance with the provisions of this article.

2.17. REMOVAL OF COMMUNITY FURNITURE

The cost of removing, storing and bringing back items of community furniture in order to carry out repairs to the damaged building is covered provided that it is sustained due to a loss covered by the policy.

Loss adjusters shall determine the maximum compensation period, which **is restricted to a maximum of 12 months**.

Sum insured: up to 10% of the sum insured for building with a limit of €12,000 per claim.

2.18. REPLACEMENT OF DOCUMENTS

Provided that the replacement is the result of a covered loss, any necessary and duly proven expenses sustained in the reconstruction or issuing of duplicate copies of personal documents that are not related to professional or commercial activities will be covered by the Insurer.

Sum insured: at first loss, up to €600 per claim.

2.19. BURGLARY AND ROBBERY

This covers direct material damage arising from any disappearance, destruction or damage sustained by the insured building, including community content, due to burglary or robbery or attempted burglary or robbery.

Also included is damage caused by burglary or attempted burglary to common doors and windows which provide access to common areas or floors used for housing, except for the breakage of windows and glass whose cover is subject to the provisions of cover "2.20. Breakage of windows and glass".

The following are not covered:

- a) Burglary, robbery or attempted burglary or robbery in which the insured co-owners, tenants or people who depend on or live with them are the perpetrators, accomplices or accessories after the fact.
- b) Burglary, robbery or attempted burglary or robbery which is the result of negligence by the insured co-owners, tenants or people who depend on or live with them.
- c) Theft, this meaning the seizure or taking of property without breaking and entering or violence or intimidation towards people.
- d) Damage to the doors and windows of commercial, industrial establishments or units not forming part of the community.
- e) Breakage of windows and glass whose cover is subject to the provisions of cover "2.20. Breakage of windows and glass".
- f) Robbery of and damage to non-fixed items that are outdoors, inside open structures or in attached facilities which are not locked.
- g) Non-fixed objects with a unit value of more than €600.

Also included in this cover are burglary and damage due to burglary occurring in storage rooms of the insured building.

Sum insured: at first loss, up to €600 per loss.

2.20. WINDOW AND GLASS BREAKAGE

Covered are direct material losses due to the breakage of windows, glass, mirrors, panes and signs which are condominium-owned or apartments used as homes, including the cost of transport and installation, provided that they are a fixed part of the insured property or condominium-owned content and are located in the common areas of the same.

Also covered are glass and windows located on the façade of the insured property even when they are part of terraces and balconies.

The following are not covered:

- a) Glass, windows and mirrors of artistic value.
- b) Hand-held objects, non-fixed decorative items, image and/or sound appliances, and other objects that are not a fixed part of the building or community-owned content.
- c) Lamps, neon bulbs and all other types of bulbs.
- d) Breakage due to defective installation or placement, work carried out on the insured objects or on their frames, as well that incurred during their assembly or dis-assembly.
- e) Breakage brought about during refurbishment work, repairs, painting, or work being done to get ready for or carry out removals.
- f) The effects of scratching, flaking or other causes which produce mere cosmetic defects.
- g) Glass or shop windows of businesses, industrial establishments or units not owned by the community, as well as items and doors inside housing units.

Sum insured: up to 100% of the sum insured for building with a limit of €30,000 per claim and up to a maximum of €2,000 in unit value.

An excess per claim shall be set and expressly stated in the Schedule.

2.21. WATER DAMAGE TO COMMUNITY PROPERTY

Covered is direct material damage to community property caused by water:

- a) Which leaks from fixed community pipes and tanks used to carry, distribute and drain water, as well as from community heating installations and electrical appliances due to breakage, blockage, freezing and because of oversight or intentional harm by third parties.
- b) Which drips from homes or adjoining units or from leakage through roofs or terrace roofs of the building or adjacent properties.
- c) Coming from community stopcocks or taps which have not been turned off.

The cost of opening up and closing up the walls of the insured property in order to find the water leaks that have caused the covered damage and the cost of the repairs to the water pipes that caused the loss are included.

'Community installations' means the building's general connections from the building's mains point to the stopcock in each home or unit which shuts off water to the same. Also included as community installations are the building's general drainpipes from the connection with the drainage of the private systems of each home or unit.

The Community of Property Owners undertakes to maintain its water installations in good condition and to carry out such repairs and actions as may be necessary for the proper upkeep of piping, in particular by replacing defective pipes and unblocking those which have become blocked.

In addition, and in the event of one or more units or homes becoming vacant, it must also switch off all mains connections and empty all appliances and installations if possible. Likewise in winter it must take adequate precautions to prevent the harmful effects of water freezing.

Damage to property for private use is not covered unless cover "3.1. Water damage to private property" has been taken out.

Not covered are repairs to taps and appliances, the cost of cleaning and unblocking pipes and damage caused:

- a) By non-channelled underground water and the reflux of water from the public sewage system.
- b) Due to construction or repair work.
- c) To roofs and facades due to the continuous action of water from external drainage or service connection pipes.
- d) By water from portable containers and by washing floors or plasterwork.
- e) Due to the overflowing or breakage of dams and dikes.
- f) Due to water leakage through roofs or flat roofs when it results from defects in or poor upkeep of the building.
- g) Due to damp, condensation or mould.
- h) In the interior of homes or units.
- i) Due to leakage, breakage or overflow of swimming pools on terraces, regardless of whether or not they belong to the community.
- j) As a result of generalised corrosion or manifest wear of the building's installations.

Sum insured: up to 10% of the sum insured for building per claim with a limit of €100,000.

An excess per claim shall be set and expressly stated in the Schedule.

2.22. PUBLIC LIABILITY FOR COMMUNITY WATER DAMAGE

This covers the payment of compensation to third parties as a result of public liability for water damage covered by the previous cover "2.21. Water damage to community property".

For the purposes of this cover, the co-owners of the Community and tenants of the homes and/or units which are part of the same are considered to be third parties.

This cover is governed by the provisions of article "2.23. Public liability, bonds, defence and claims", in particular with respect to the exclusions laid out in the same, which are also applicable to it save for the provisions of point a).

Also covered are bonds, defence and claims for damages in the same terms as in points "2.23.1 Bonds", "2.23.2 Defence", and "2.23.3 Claims for damage" in the cover "2.23. Public liability, bonds, defence and claims".

Sum insured: up to €100,000 per claim.

An excess per claim shall be set and expressly stated in the Schedule.

2.23. PUBLIC LIABILITY, BONDS, DEFENCE AND CLAIMS

Monetary compensation that may be owed by the Community of Property Owners under articles 1902 to 1910 of the Civil Code as a result of damage caused to third parties by negligent acts or omissions attributable to the Community as owner of the building or to people who are dependent on it for actions carried out in the performance of their duties is covered.

All damage and injury arising from the same event, irrespective of the number of plaintiffs, shall be deemed to come from a single loss.

For the purposes of this cover, the co-owners or tenants of the building, the people who live with them and employees of the Community are considered to be third parties.

Employees of the Community or people carrying out any type of work on the building shall not be considered to be third parties with respect to damage or injury that they may sustain while performing the aforementioned work.

Also covered is Employer's Liability and any compensation that under the terms of the Social Security Act may be owed by the Community to their employees or successors-in-title due to its public liability for damage or injury that personnel who are registered with the Social Security and are full-time employees of the Community may sustain as a result of an accident at work, as well as any compensation that the National Institute of Social Security or employee or employer private health insurance friendly societies may demand for the cost of healthcare they have provided in the cases referred to above.

The Insurer also covers the following with respect to the losses included in this cover:

2.23.1. Bonds

Any bonds that the courts require to be paid by the Community to ensure the release on bail of any member of the Community of Property Owners and to guarantee the payment of compensation and legal costs.

2.23.2. Defence

The legal defence of the Community, both out of court and before any civil or criminal court, as well as the payment of costs, but excluding any kind of fine or penalty.

When the claimant is also insured by the Insurer and there may be a conflict of interest between the Community and the Insurer because the latter has to uphold interests in the claim which are contrary to the defence of the Community, the Insurer shall notify the Community of this situation without prejudice to the performance of such legal formalities which in view of their urgency are necessary for the defence of the Community. In this case, the Community may choose between retaining the legal representation provided by the Insurer and entrusting their defence to another person. In this latter case the Insurer shall be obliged to pay the costs of this legal representation up to the minimum sums set in the fees tables of the bar association to which the lawyer belongs or, failing that, those of the bar association of Barcelona, and including in these minimum sums all incidences and concomitant circumstances of the matter, with any difference being paid by Community.

2.23.3. Claims for damages

Should a third party cause damage to the Community which if it had been caused by the latter would have been covered by this Public Liability cover, the Insurer will meet the cost of claiming compensation owed to the Community by the responsible third party either by means of an amicable settlement or through the courts.

The Insurer shall begin the claim, and if it can obtain the agreement of the responsible third party or their Insurer to pay compensation out of court, and it does not think it likely that better results could be achieved through the courts, it will notify the Community.

The Insurer will decide whether or not to file the claim and the sum to be claimed for in accordance with the circumstances of each case, and will notify the Community of its decisions.

Should the Community disagree with the Insurer regarding the appropriateness of the claim or its amount, they can file the claim themselves without the Insurer's involvement. In such a case, should the claim filed by the Community result in a more favourable outcome than that offered by the Insurer, the Insurer shall be required to reimburse the legal costs incurred by the Community up to 10% of the sum insured for the building and with a maximum limit of €30,100.

Any compensation obtained from the responsible third party must be used firstly to reimburse the Insurer for any sums that it may have paid to the Community by virtue of other covers in the policy, with any difference being made up by the latter.

The Community expressly authorizes the Insurer and its legal representatives to directly receive compensation obtained for the Community under this cover by means of an amicable agreement or court ruling, without prejudice to any subsequent settlement.

With respect to the whole of cover "2.23. Public liability, bonds, defence and claims", not covered are claims arising from:

- a) Damage to the insured building which could have been insured against through one of the other covers of this policy, and especially public liability resulting from water damage, whether this be community or private.
- b) Damage caused by leakage or seepage of rainwater.
- c) The contractual obligations of the community or the people who depend on it.
- d) Construction, repair or refurbishment work on the insured building.
- e) Industrial, commercial or professional activities carried out in the building's business units or homes.
- f) Breach of official provisions.
- g) Breach of employment regulations concerning personnel working for the community.
- h) The payment of fines and sanctions, and the consequences of failure to pay them.
- i) Liabilities which must be covered by compulsory insurance.
- j) The use or ownership of motor vehicles.
- k) Damage caused to items of property belonging to third parties that for any reason are in the possession of the insured co-owners, tenants and people who depend on or live with them.
- l) Robbery and damage caused by robbery from vehicles and other property located in car parks and storage rooms.
- m) Due to pollution, contamination or alterations in the air, water and ground caused by the prolonged effects of temperature, smoke, dust, soot, gases, fumes, steam, vibrations or any other cause. Nonetheless, this environmental damage is covered if its cause is accidental.

Sum insured: up to the limit stated in the Schedule.

2.24. ACCIDENTS SUFFERED BY EMPLOYEES

Employees of the Community of Property Owners are covered against the risks of death or permanent total or partial disability resulting from accidents occurring while carrying out their duties exclusively for the building stated in the schedule. In order to be considered employees of the Community of Property Owners for this purpose, personnel must have employment contracts with the Community of Property Owners and be registered with the Social Security at the time the accident occurs.

For the purposes of this cover the following words shall have the meanings given below:

Insured. The employee of the Community of Property Owners covered by this policy.

Accident. Personal injury deriving from a sudden, external and violent cause that is not intentional on the part of the person who suffers it.

Beneficiary. The natural or artificial person who holds the right to compensation in the following situations:

- In the event of total or partial permanent disability, the beneficiary will be the person who has suffered the accident.
- In the event of death, the provisions of the Insurance Contract Act will apply unless beneficiaries have been expressly designated.

Partial permanent disability. Anatomical loss or irreversible partial and permanent functional loss as a direct consequence of an accident and consisting of one of the following injuries:

- Total loss of an eye.
- Complete deafness.
- Absolute loss or amputation of a finger, an arm, a hand or a leg.

Total permanent disability. Anatomical loss or irreversible total and permanent functional loss as a direct consequence of an accident and consisting of one of the following injuries:

- Loss or loss of use of both arms, both legs, an arm and a leg, a hand and a foot, both hands or both feet.
- Complete paralysis.
- Absolute blindness.

Death. Demise.

If several people with a right to cover are injured in the same accident, the compensation for death and disability shall be divided between all of them with the total not exceeding the sum insured under any circumstances.

The following are not considered to be covered accidents:

- a) Those suffered by people under the age of 14 or over the age of 65.
- b) Those suffered by people who are blind, paralysed or deaf, who suffer from epilepsy or mental disturbance and in general when the unhealthy condition of the injured person has caused or contributed to the incident.
- c) Illnesses or diseases of any kind.
- d) Resulting from war, riots, revolutions and earthquakes.

- e) Those occurring as a consequence of taking part in fights or duels and committing or attempting to commit an illegal action, as well as those occurring under the effects of alcohol, drugs or narcotics.
- f) Operations or medical interventions carried out by the Insured on themselves as well as those caused intentionally by the Insured or Beneficiaries.
- g) Poisoning occurring as a result of eating food that has gone off.
- h) Those that only produce psychic effects.
- i) Hernias of any type, muscle strains, lower back pain, varicose veins, infarctions of any vascular tissue, heatstroke and frostbite.
- j) Those suffered while carrying out private activities or ones unrelated to the duties of an employee of the Community of Property Owners.
- k) Those accidents arising from driving motor vehicles, unless it can be shown that an activity performed exclusively for the Community of Property Owners was being carried out at the time of the accident. Not covered under any circumstances are accidents occurring as the rider or owner of a motorcycle of any cylinder capacity and vehicles weighing more than 3,500 kg.

Not covered are accidents whose effects, death or disability occur more than a year after the date on which the accident occurred.

Sum insured: up to the limit indicated in the Schedule and in accordance with the percentages specified below:

- In case of death 100%
- In case of total disability 100%
- In case of partial disability:
 - Complete loss of an eye 30%
 - Complete deafness 50%
 - Absolute loss or amputation of:
 - An arm or a hand 60%
 - A leg above the knee. 50%
 - A leg below the knee 40%
 - A thumb or forefinger 10%
 - One of the other fingers 5%

2.25. SUPPLEMENTARY COVERS:

The following services are covered by this policy:

2.25.1. Provision of repairers, installers and miscellaneous professionals for the Community of Property Owners:

When requested by the Insured, the Insurer shall provide them with a qualified professional to perform any services that may be required from among the list given below:

Building work	Plasterers
Aerial and satellite dish installation	Plumbing
Nursing	Gardening
Varnishing	Window cleaning
Carpentry	General cleaning
Metalwork	Courier services
Locksmith	Removals
Contractors	Parquet laying
Glaziers	Roller blinds
Child care	Painting
Electricians	Entry phones
Household electrical appliances	Household appliance/television/video repair
Nurses	Upholstery
Carpet fitting	

Call-out fees and the cost of labour, materials and any other expenses that may arise shall be paid exclusively by the Insured. The Insurer shall only arrange for finding the required professional and putting them in touch with the Insured, except in the event of losses covered by the policy.

2.25.2. Additional services

a) Security guards and surveillance

In the event that the insured building or a home in it is easily accessible from the outside, the Insurer will organise and meet the cost of providing surveillance of the home where the loss occurred until furniture and other items are removed for a maximum period of 48 hours from the arrival of the security guard at the home.

b) Emergency locksmith services

In the event that the Insured is unable to enter the insured building due to an accidental event such as the loss, mislaying or theft of keys, the lock being damaged due to attempted burglary or any other cause that makes it impossible to open the door (both community-owned doors and ones giving access to private homes), the Insurer will send a professional locksmith to carry out emergency repairs and restore the proper operation of the door as soon as possible.

The fees of the locksmith or professional repairman and the cost of materials used will be paid by the Insured.

c) Accidents suffered by Community employees

In the event that rest not requiring hospitalisation is prescribed by a doctor because of an accident occurring inside the insured building, the Insurer will arrange and pay for the following benefits:

- Dispatch of a nurse to care for the injured person for up to maximum of 72 hours.
- Dispatch of an assistant when the injured person is normally in charge of children under 14 years of age. The maximum term for this cover will be limited to 72 hours.
- Delivery of prescribed medicines to the home. The cost of such medicine will be met by the Insured.
- In the event that hospitalisation is prescribed by a doctor because of an accident occurring inside the insured building, the Insurer will arrange and pay for transport by ambulance to the hospital chosen by the Insured and/or the doctor, provided that it is in the same town as the insured building.

The Insurer must be immediately informed of the circumstances of the incident via its phone or fax numbers provided for this purpose and it must have given its consent before it will meet its obligations as set out above. Reimbursement of expenses will be made on the presentation of documents in proof (bills, receipts or similar) and within the agreed limits.

2.26. ELECTRICAL DAMAGE

Included is damage to electrical lines, electrical appliances and their accessories brought about by fire, abnormal electrical currents, short circuits, self-combustion, electricity or lightning strike.

Sum insured: up to the limit set out in the Schedule.

An excess per claim shall be set and expressly stated in the Schedule.

Article 3. Purpose and scope of the insurance: optional covers

The following risks are included in the policy as long as they have been specifically stated in the Schedule.

3.1. WATER DAMAGE TO PRIVATE PROPERTY

This covers direct material damage to the private property of the co-owners and/or tenants of the building's units caused by water:

- a) Which leaks from fixed private pipes and tanks used to carry, distribute and drain water, as well as from private heating installations and electrical appliances due to breakage, blockage, freezing and because of oversight or intentional harm by third parties.
- b) Coming from private stopcocks or taps which have not been turned off.

The cost of opening up and closing up the walls of the insured property in order to find the water leaks that have caused the covered damage and the cost of the repairs to the water pipes that caused the loss are included.

'Private installations' means those inside each home and/or unit starting from the stopcock in each home or unit which shuts off water to the same. Also included as private installations are the return pipes inside the home and/or unit that are located before the connection between private systems of each home or unit and the general drain.

The owners and/or tenants of the homes and/or units undertake to maintain their water installations in good condition and to carry out such repairs and actions as may be necessary for the proper upkeep of piping, in particular by replacing defective pipes and unblocking those which have become blocked. In addition, and in the event of one or more units or homes becoming vacant, they must also switch off all mains connections and empty all appliances and installations if possible. Likewise in winter they must take adequate precautions to prevent the harmful effects of water freezing.

Damage sustained by community property is not covered.

Not covered are repairs to taps and appliances, the cost of cleaning and unblocking pipes and damage caused:

- a) By non-channelled underground water and the reflux of water from the public sewage system.
- b) By rain, snow and hail that has penetrated any opening of the building (windows, doors, skylights, etc.).
- c) By construction or repair work.
- d) To roofs and facades due to the continuous action of water from external drainage or service connection pipes.

- e) By water from portable containers and by washing floors or plasterwork.
- f) Due to the overflowing or breakage of dams and dikes.
- g) Due to water leakage through roofs or flat roofs when it results from defects in or poor upkeep of the building.
- h) Due to damp, condensation or mould.
- i) Due to leakage, breakage or overflow of swimming pools on terraces, regardless of whether or not they belong to the community.
- j) As a result of generalised corrosion or manifest wear of the building's installations.

Sum insured: up to 10% of the sum insured for building per claim **with a limit of €100,000.**

An excess per claim shall be set and expressly stated in the Schedule.

3.2. PUBLIC LIABILITY FOR PRIVATE WATER DAMAGE

This covers the payment of compensation to third parties as a result of public liability for water damage covered by the previous cover "3.1. Water damage to private property".

For the purposes of this cover, the co-owners of the Community and tenants of the homes and/or units which are part of the same are considered to be third parties.

This cover is governed by the provisions of article "2.23. Public liability, bonds and defence and claims", in particular with respect to the exclusions laid out in the same, which are also applicable to it save for the provisions of point a).

Also covered are bonds, defence and claims for damages in the same terms as in points "2.23.1 Bonds", "2.23.2 Defence", and "2.23.3 Claims for damage" in the cover "2.23. Public liability, bonds, defence and claims".

In the event of public liability for private water damage that affects community property, the aliquot share of the owner of the unit or home which has caused the damage shall be subtracted from the compensation.

Sum insured: up to €100,000 per claim.

An excess per claim shall be set and expressly stated in the Schedule.

Article 4. Risks not covered in general for all covers

In addition to the specific conditions for each risk set out in the previous articles, the insurer will not cover losses:

- a) Which occur as a result of international or civil war, whether or not there has been a prior declaration of war, the actions of the armed forces or law enforcement agencies in peacetime, rebellions, popular or military uprisings, terrorist acts, riots and civil disturbances.
- b) Due to extraordinary natural phenomena (flooding, earthquakes, volcanic eruptions, atypical cyclone storm, falling objects from outer space and meteorites) land subsidence, landslides, rock falls or any meteorological or geological phenomena not specifically stated as being covered.
- c) That is directly or indirectly caused by the disintegration of an atomic nucleus, a modification in atomic structure or radiation from radioisotopes, as well as the cost of decontamination and the search for and recovery of radioactive material as a consequence of a loss covered by this policy.
- d) Due to events or phenomena that are covered by the Insurance Compensation Consortium or when this body does not accept the validity of the rights of the Insured due to breach attributable to the same of any of the rules laid down in the Regulations and Supplementary Provisions prevailing on the date of their occurrence.

Also excluded are any differences between the damage caused and the sums paid in compensation by the Insurance Compensation Consortium arising from the application of excesses, deductions, condition of average and other limitations.

- e) Events that are declared by the national government to be a "national catastrophe or disaster."
- f) Which have been deliberately caused by, or with the complicity of, or due to gross fault on the part of, the Policyholder, the Insured or relatives of either of them who live with them.
- g) Connected with fines or penalties imposed by the authorities.
- h) Occurring as a consequence of the use or occupancy of the building for activities other than the normal ones of an apartment and/or office building.
- i) Occurring during a suspension of the cover or in the event of the termination of the insurance policy due to non-payment of premiums.
- j) Due to fermentation, rusting, defective upkeep or a defect in the item involved in the loss.
- k) Losses or misplacements of any kind.
- l) Indirect damage and losses of any kind even when derived from a covered loss.

Also not covered by any of the covers of the policy:

- a) Money whether in the form of notes or coins, lottery tickets, postage stamps, stamps and stamped paper, pawn tickets and, in general, any documents or receipts which represent monetary value or collateral.
- b) With respect to the covers "2.1. Fire", "2.2. Explosion" and "2.3. Lightning", stocks of fuel, chemical products and inflammable gases or liquids used in auxiliary operations such as heating, cooling, hot water, etc. in the insured building.
- c) In the event that the loss is caused intentionally by a co-owner or by someone they are responsible for, the property of the said co-owner and their aliquot share of community property.
- d) Buildings that are under construction.

Article 5. Scope of the cover

The objects are insured exclusively in the place stated in the Schedule.

The Public Liability cover is restricted to claims for damages brought before or recognised by the Spanish courts.

Article 6. Damage appraisal

a) Building

The insured building, including foundations but excluding the value of the plot, shall be appraised according to actual value by subtracting depreciation due to age, use and wear up to the date of the loss from the value as new on that date.

If the automatic appreciation of sums insured has been agreed to, the appraisal of damage will be extended to the difference between the actual value of the building immediately prior to the loss and its value as new as assessed in accordance with its new construction value. Nonetheless, this difference is limited to 50% of the new construction value of the damaged items at the time immediately prior to the loss.

The expansion of the appraisal to value as new under the terms set out in the previous paragraph is subject to the Insured rebuilding the building within two years of the loss in the same place where it was before the loss with the same specifications and without making any major changes to its initial use. Nonetheless, if for a justified reason that is beyond the control of the Insured it is not possible to maintain the same location in accordance with the specifications of the building, it may be reconstructed on another site in the same town.

If the building is not rebuilt in compliance with the previous paragraph, compensation shall be paid for actual value and not for value as new.

b) Community furniture

Community furniture shall be appraised at value as new on the market prior to the loss. If it is not available on the market, other items of similar specifications will be used for appraisal purposes.

This value as new shall not be applied if the difference between the actual value of these items at the time of the loss and their value as new is greater than 50% of the latter, in which case depreciation for age, use and wear and tear shall be subtracted from this value as new.

Appraisal at value as new is subject to the Insured replacing the damaged items within two years of the loss by others of the same type, specifications and properties.

If the items are not replaced in compliance with the previous paragraph, compensation shall be paid for actual value and not for value as new.

c) Artistic or precious objects

Artistic or precious objects which do not lose value with age shall be appraised at their market price prior to the loss.

Article 7. Automatic appreciation of sums insured

The Policyholder may agree in the Schedule that the sums insured in this policy should be changed automatically on the expiry of each annual premium based on rises in the official consumer price index.

The appreciation of capital sums shall be carried out taking the base index stated in the Schedule as the base index for the time the policy was taken out.

Both parties may oppose the extension of this automatic capital sums appreciation clause by giving written notification of their opposition to the other party at least two months prior to the termination of the then current insurance policy period.

Appreciation of capital sums shall not be applicable to cover "2.26. Public liability, bonds and defence", to those in which a compensation limit is specifically stated, or to excesses.

The Insurer shall waive the use of the condition of average, as long as automatic appreciation is in force, when the difference between the value of the insured interest and the declared capital sum is not greater than 15% of the latter.

The condition of average shall not be applicable in the case of losses which come to less than €1,800.

Any waiving of the application of the condition of average as referred to in the previous paragraphs shall not be applicable to extraordinary risks covered by the Insurance Compensation Consortium.

V. Terms and conditions supplementary legal defence cover

The terms and conditions set out below are applicable to this Legal Defence insurance, as are those included in the Community Insurance Policy insofar as they do not contradict or conflict with those set out below:

Article 1. Preliminary clause

The Insured parties are:

- The Community of Property Owners of the urban property, located in Spain and stated in the Schedule of this contract, constituted and regulated by prevailing legislation concerning joint freeholds and common property.
- The chairman and other members of the Governing Board of the Community of Property Owners, in the performance of the duties associated with their posts.
- The Manager or Secretary Manager of the Community, even when they are not one of the owners, when acting as a member of the Board of Property Owners.

ARTICLE 2. PURPOSE AND SCOPE OF THE COVER

The Insurer undertakes, within the limits set by the law and the contract, to pay for the costs which the Insured may incur as a result of their intervention in an administrative, judicial or arbitration procedure, and to provide them with judicial and extrajudicial legal assistance services arising from the covers in the insurance.

The Insurer shall pay the following costs:

- a) Legal fees and costs arising from the processing of covered procedures.
- b) The fees and costs of lawyers.
- c) The fees and expenses of court representatives when their intervention is mandatory.
- d) Notary fees and the cost of power of attorney granted for lawsuits, as well as the certificates, requirements and other legal documents needed for the defence of the interests of the Insured.
- e) The fees and expenses of loss adjusters.
- f) In criminal proceedings covered by the policy, the posting of bonds required of the Insured to:
 1. Secure their release on bail.
 2. Ensure their attendance at the trial.
 3. Pay legal costs with the exception of compensation and fines.

ARTICLE 3. TERRITORIAL EXTENSION

The covers of the policy will be applicable to losses occurring in Spain and which are subject to the courts and tribunals of Spain.

ARTICLE 4. COVERS INCLUDED

This cover includes the defence of the interests of the Community of Property Owners of the urban property set out in the Schedule, in relation to the exercise of the rights set out below and with the content specified in the description of each of the insured risks:

4.1. Criminal defence

This cover includes defence against the criminal liability of the insured in legal action taken against them with relation to any event connected with their actions as a member of the Governing Board of the property referred to in the schedule of this policy.

Excluded are events deliberately brought about by the insured or when there is fraud or gross fault on their part according to a final court ruling.

4.2. Service contracts

This cover includes claims for breach of the following service provision contracts which are in the name of the Community of Property Owners and the latter is the end-user:

- Repair, upkeep and maintenance of the building's common elements, annexes and fixed installations, including the lifts.
- Installation or replacement of fixed installations of the building and annexes.
- Private surveillance and security services.
- Cleaning services.
- Services from qualified professionals.

Expressly included are claims for breach of supply contracts for services arranged by and for the Community of Property Owners.

4.3. Purchasing contracts

This covers claims for breach of contract in the purchase of decorative objects and furniture (**except antiques**), implements, appliances and their installations which have been acquired by the Community of Property Owners for its own use.

4.4. Rights relating to the building.

The protection of the interests of the Community of Property Owners is covered with respect to the urban property set out in the Schedule by means of:

Claims against the identifiable responsible third party for damage caused to the common parts or elements of the building, its annexes and adjacent common areas, as well as furniture, appliances and installations owned by the community, including that caused fraudulently, provided it is not the result of a breach of a specific contractual relationship between the Insured and the party responsible for the damage.

Claims against the neighbours of the insured Community who are no more than 100m away from it over issues concerning rights of way, lights, views, distances, boundaries, dividing walls as well as breach of legal regulations related to the emission of smoke or gases, hygiene, persistent noise and activities which are annoying, harmful or dangerous.

4.5. Defence in local government issues

This involves the defence of the Community of Property Owners in action taken by the local authorities about issues such as by-laws and other regulations concerning garage entrances, installations, cleaning, building work, car parks, lifts, fire prevention and other matters.

This cover is limited to administrative procedures and therefore does not include administrative court action.

The insured shall directly pay any fines or penalties which may be imposed by the municipal authority, and the insurer will have no responsibility whatsoever for such payment.

4.6. Telephone Legal Assistance

Under this cover the Insurer will provide the President of the Community of Property Owners with a lawyer who, as a precaution prior to litigation, will inform them over the phone about their rights prior to beginning any legal processes covered in the policy.

This legal information will be provided via the Zurich-Condominium Services phone line.

4.7. Claims against owners for non-payment of expenses

This cover consist of claims on behalf of the Community of Property Owners against those owners who are in arrears on payment for general expenses which they have to pay in accordance with their proportionate share for the adequate upkeep of the building and its annex facilities and for services, taxes, charges and liabilities, provided that they are not subject to individualisation.

Also included are claims for the payment of costs derived from the implementation of new installations, services or improvements provided that these have been duly agreed and the owner in arrears is legally obliged to pay for them.

In order for such claims to be covered, they must meet the following requirements:

- That the non-payment which is the subject of the claim began after this cover came into effect.
- That the claim has been validly agreed by the Governing Board.
- That the debtor is not deemed to be legally insolvent by a court ruling and that there is sufficient documentation to demonstrate the debt before the courts.

ARTICLE 5. COMPENSATION AND LOSSES THAT ARE NOT COVERED

Under no circumstances shall the following be covered:

- a) Compensation and any interest arising from it and any fines and sanctions which may be imposed on the Insured.
- b) Taxes and other fiscal payments arising from the filing of public or private documents with official bodies.
- c) Expenses arising from legal accumulation or counterclaims when they refer to matters other than those included in the covered perils.
- d) Any type of action which directly or indirectly stems from events caused by nuclear energy, genetic modification, radioactive radiation, natural disasters, acts of war, rioting, explosion and terrorism.
- e) Litigation deriving from or originating in strikes, lock-outs, collective labour disputes or redundancy packages.
- f) Events deliberately brought about by the insured or those in which they are guilty of fraud or gross negligence according to a final court ruling.
- g) Losses that arise from or are related to the planning, construction or demolition of the property which is the subject of the insured risk, as well as legal proceedings with regard to town planning, land consolidation or expropriation.
- h) Losses which occur as a result of the industrial or commercial activities of the insured community.
- i) Losses connected with motor vehicles and trailers save for that set out in the provisions of cover in article 4.4 on claims for damages related to the building.
- j) Claims which may be mutually filed by the members of the insured community, as well as claims filed between the insured parties and against the insurer of this policy.
- k) Events whose origin or first appearance takes place before the effect date of the policy and those that occur after a period of two years has elapsed from the date of cancellation or termination of this contract.

ARTICLE 6. SUM INSURED

Up to 100% of the capital sum stated for this cover in the schedule. **Events which have the same cause and have occurred at the same time will be deemed to be a single loss.**

ARTICLE 7. CLAIMS PROCESSING

7.1. Definition of loss

For the purposes of this cover, loss means any unforeseen event which is harmful to the interests of the Insured or changes their legal situation, and which occurs while this policy is in force.

In the case of criminal offences the insured loss shall be deemed to have occurred at the time when the crime was committed or is alleged to have been committed.

In instances of claims for non-contractual fault, the loss shall occur at the same time at which the damage was caused.

In litigation about contractual issues, the loss shall be deemed to have occurred when breach of the provisions of the contractual relationship began.

7.2. Waiting periods and minimum claim amounts

The waiting period is the time after the effect date of the policy in which any losses which may occur are not covered.

In contractual cases the waiting period shall be three months from the date on which this policy came into force.

Not covered are the Legal Defence costs for claims of less than €300.

7.3. Procedure in the event of a loss

The processing of the Insurer's Legal Defence Insurance claims is handled by ARAG, a company which is legally separate from the Insurer.

The Insured should report the loss by calling the Zurich Condominium Services helpline.

Once the claim has been accepted, the Insurer shall provide the covers and meet costs in accordance with the nature and circumstances of the loss.

In the event of claims for damages, the Insurer will cover the process of obtaining a compromise settlement which recognises the objectives and rights of the Insured. If the attempt to obtain an amicable or out-of-court settlement does not produce a result that is acceptable to the Insured, the Insurer will then begin legal action if the Insured so requests and their objectives are reasonable.

When the Insured needs legal assistance, the Insurer shall inform them of their right to freely choose the professionals who will represent them and defend them in the litigation.

7.4. Disagreement with the processing of a claim

If the Insurer thinks that there is no reasonable likelihood of a lawsuit or appeal being successful and hence would prefer not to begin one, it must inform the Insured.

The Insured shall be entitled, within the limits of the cover that they have taken out, to the reimbursement of any costs incurred in lawsuits and appeals carried out against the advice of the Insurer when on their own account they obtain a more favourable outcome.

7.5. Choice of lawyer and court representative

The Insured will have the right to freely choose the court representative and lawyer who are to represent and defend them in any type of proceedings.

Before appointing them, the Insured must inform the Insurer of the name of the lawyer and court representative they have selected. The Insurer may reject the chosen professional on reasoned grounds.

If the lawyer or court representative the Insured has chosen does not reside in the judicial district where the proceedings are to be held, the Insured will have to pay the travel costs and fees that the professional concerned includes in their bill.

The lawyer and court representative chosen by the Insured shall have the broadest freedom in deciding on strategy in the matters entrusted to them, and shall not under any circumstances be subject to the instructions of the Insurer. The Insurer shall likewise not be responsible for the actions of the said professionals nor for the result of the case or proceedings.

When a lawyer or court representative must intervene urgently before the loss has been reported, the Insurer will also pay the fees and costs arising from their actions.

Should there be a conflict of interest between the parties, the Insurer will inform the Insured of the said circumstance so that the latter may decide on the appointment of a lawyer or court representative of their choice for the defence of their interests, in accordance with the freedom of choice recognised in this article.

7.6. Payment of fees

The Insurer shall pay the fees of the lawyer who acts in the Insured's defence in accordance with the regulations established for that purpose by the General Council of Spanish Lawyers; in the absence of such regulations, those of the respective bar associations will be applicable. **The guideline fee regulations of bar associations will be the upper limit of the obligations of the Insurer.** Any discrepancies with respect to the interpretation of these regulations shall be submitted to the appropriate commission of the relevant bar association.

The fees of the court representative, when their involvement is mandatory, shall be paid according to relevant rates or scales.

7.7. Compromise settlements

The Insured may reach a compromise on issues being processed, but if as a result of this the Insurer becomes subject to obligations or required to make payments, both parties may only act after they have reached prior agreement.

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