



GENERAL STAR NATIONAL INSURANCE COMPANY
Financial Centre
P.O. Box 10360
Stamford, Connecticut 06904-2360

REAL ESTATE APPRAISERS ERRORS & OMISSIONS INSURANCE POLICY

DECLARATIONS PAGE

This is a claims made and reported policy. Please read this policy and all endorsements and attachments carefully.

Policy Number: NJA820662A

Renewal of Number: NJA820662

1. NAMED INSURED: William Brown
STREET ADDRESS: 504 Lakeside Dr
 Carriere, MS 39426

2. POLICY PERIOD: Inception Date: 10/02/2009 Expiration Date: 10/02/2010
 Effective 12:01 a.m. Standard Time at the address of the Named Insured.

3. LIMIT OF LIABILITY:
 Each Claim: \$ 500,000
 Aggregate: \$1,000,000
Claim Expenses have a separate Limit of Liability:
 Each Claim: \$ 500,000
 Aggregate: \$1,000,000

4. DEDUCTIBLE: Each Claim: \$500.00 Aggregate: \$1,000.00

5. RETROACTIVE DATE: 10/02/2008
 If a date is indicated, this policy will not provide coverage for any **Claim** arising out of any act, error, omission or personal injury which occurred before such date.

6. ANNUAL PREMIUM: \$ 572.00

7. ENDORSEMENTS:
 This policy is made and accepted subject to the printed policy form together with the following form(s) or endorsement(s).
 GSN-07-AP-122(07/2007) GSN-07-AP-825MS (10/2007)
 GSN-07-AP-201 (06/2007) GSN-07-AP-375 (10/2007)

8. MANAGING AGENT
 Herbert H. Landy Insurance Agency, Inc.
 75 Second Avenue, Suite 410
 Needham, Massachusetts 02494-2876

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**This endorsement # 1, effective 10/02/2009 forms a part of Policy # NJA820662A
issued to William Brown**

ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY

The following entity(ies) is/are included as an Additional Insured, but only with respect to Claims arising out of any act, error, omission or Personal Injury in the rendering or failure to render Professional Services by the Named Insured and subject to all the terms and conditions of the policy.

**Appraisals LTD
Appraisals LTD
Appraisals LTD**

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED

GSN-07-AP-201 (06/2007)

Page 1 of 1

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement # 2, effective 10/02/2009 forms a part of Policy # NJA820662A issued to William Brown

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY

Section VI - EXCLUSIONS is amended by the addition of the following exclusion:

- Z. based on or arising out of an act of terrorism. With respect to an act of terrorism , this exclusion applies only when one or more of the following are attributed to such act:**
- a. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property shall be included. 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;**
 - b. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:**
 - 1. Physical injury that involves a substantial risk of death; or**
 - 2. Protracted and obvious physical disfigurement; or**
 - 3. Protracted loss of or impairment of the function of a bodily member or organ; or**
 - c. 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**
 - d. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or**
 - e. 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 a. and b. above describe the thresholds used to measure the magnitude of an act of terrorism incident and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED

GSN-07-AP-375 (10/2007)

Page 1 of 2

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The following definition is added for the purposes of this endorsement:

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 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. Multiple incidents of an act of terrorism which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

In the event of any act of terrorism that is not subject to this exclusion, the Company has no obligation under this policy to pay Damages or Claim Expenses , or to provide a defense, in connection with any Claim that is otherwise excluded under this policy.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED

GSN-07-AP-375 (10/2007)

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GENERAL STAR NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement # _____, effective _____ forms a part of Policy # _____
issued to _____ by GENERAL STAR NATIONAL INSURANCE COMPANY.

MISSISSIPPI AMENDATORY ENDORSEMENT

SECTION IX – GENERAL CONDITIONS, CLAUSE H., Nonrenewal, is deleted in its entirety, and is replaced by the following:

H. **Nonrenewal**

1. If the Company decides not to renew this policy, the Company will mail or deliver written notice of nonrenewal to the **Named Insured** at least:
 - a. Ten (10) days before the effective date of nonrenewal, if the nonrenewal is due to nonpayment of premium; or
 - b. Thirty (30) days before an anniversary date or the expiration date of the policy, if the nonrenewal is for any other reason.
2. The notice of nonrenewal will be mailed or delivered to the **Named Insureds** last mailing address known to the Company. If notice is mailed, proof of mailing will be sufficient proof of notice. However, the offer of renewal terms, conditions or premiums different from those in effect prior to renewal does not constitute nonrenewal.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED

GENERAL STAR NATIONAL INSURANCE COMPANY

FINANCIAL CENTRE, P.O. BOX 10354

STAMFORD, CONNECTICUT 06904-2354

(A stock insurance Company, herein called the Company)

NOTICE

**THIS IS A CLAIMS MADE AND REPORTED FORM
REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY**

THIS REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS. THE COVERAGE PROVIDED BY THIS POLICY IS LIMITED TO ONLY THOSE **CLAIMS** THAT ARISE FROM **PROFESSIONAL SERVICES** RENDERED AFTER THE RETROACTIVE DATE STATED IN THE DECLARATIONS PAGE AND WHICH ARE FIRST MADE AGAINST THE **NAMED INSURED** AND REPORTED TO THE COMPANY DURING THE **POLICY PERIOD** OR ANY APPLICABLE EXTENDED REPORTING PERIOD.

PLEASE REVIEW THE POLICY CAREFULLY. THIS POLICY CONTAINS IMPORTANT EXCLUSIONS AND CONDITIONS. ALL WORDS OR PHRASES (OTHER THAN CAPTIONS) THAT ARE PRINTED IN BOLD FACE ARE DEFINED IN THE POLICY. PLEASE DISCUSS ANY QUESTIONS CONCERNING THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

WHAT TO DO IN CASE OF A CLAIM

In the event you directly or indirectly become involved in a professional liability **claim**, you should immediately report the details in writing to:

General Star Management Company

Financial Centre, P.O. Box 1255

Stamford, CT 06904

Fax: 866-914-3151

Attn: Professional Liability Claims

Note: Failure to promptly report a **claim** could jeopardize your coverage.

IMPORTANT

This policy is not effective unless a Declarations page is issued.

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REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY
THIS IS A CLAIMS-MADE AND REPORTED POLICY. PLEASE REVIEW THE POLICY CAREFULLY.

THE COVERAGE PROVIDED BY THIS POLICY IS LIMITED TO ONLY THOSE CLAIMS THAT ARISE FROM PROFESSIONAL SERVICES TAKING PLACE ON OR AFTER THE RETROACTIVE DATE STATED ON THE DECLARATIONS PAGE AND WHICH ARE FIRST MADE AGAINST THE NAMED INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR APPLICABLE EXTENDED REPORTING PERIOD.

GENERAL STAR NATIONAL INSURANCE COMPANY, hereinafter called the Company, agrees with the **Named Insured**, in consideration of the payment of the premium, and in reliance upon the statements on the applications and the Declarations Page and subject to the Limits of Liability, exclusions, conditions and other terms of this policy, as follows:

INSURING AGREEMENTS

SECTION I -- COVERAGE

The Company will pay on behalf of the **Named Insured** all sums which the **Named Insured** shall become legally obligated to pay as **Damages** for **Claims** first made against the **Named Insured** during the **Policy Period** and first reported to the Company in writing during the **Policy Period** or applicable Extended Reporting Period, arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** by the **Named Insured**; provided always that such act, error, omission or **Personal Injury** happens:

- A. during the **Policy Period**; or
- B. prior to the **Policy Period** provided that:
 - 1. Such act, error, omission or **Personal Injury** took place on or after the Retroactive Date as indicated on the Declarations Page of this policy: and
 - 2. at the inception of this policy no **Named Insured** had knowledge of any act or circumstance that may reasonably be anticipated to give rise to a **Claim** against the **Named Insured**.

The Company shall have the right and duty to defend any **Suit** against the **Named Insured** seeking **Damages** to which this insurance applies even if any of the allegations of the **Suit** are groundless, false or fraudulent.

However, the Company shall have no duty to defend the **Named Insured** against any **Suit** seeking **Damages** to which this insurance does not apply.

For covered **Claims**, the Company, at its option, shall select and assign defense counsel; however, the **Named Insured** may engage additional counsel, solely at their own expense, to associate in the defense of any covered **Claim**. The **Named Insured** shall not assume any obligations, incur any costs, charges, or expenses or enter into any settlement without the Company's consent.

The Company shall also have the right to investigate any **Claim** and negotiate the settlement, as it deems expedient, but the Company shall not commit the **Named Insured** to any settlement without such **Named Insured's** consent. If the **Named Insured** refuses to consent to any settlement recommended by the Company, and elects to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, then the Company shall be relieved of any further duty to defend the **Claim**. The liability of the Company for **Damages** and **Claims Expenses** shall not exceed the amount for which the **Claim** could have been settled.

SECTION II -- LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless the number of **Claims** made, the Company's liability is limited as follows:

A. Limits of Liability:

1. the Company's maximum liability for all **Damages** resulting from a **Claim** covered under the policy is the Limit of Liability Each **Claim** as stated in Item 3. on the Declarations Page. There shall be a separate Limit of Liability Each **Claim** applicable to **Claims Expenses** for any such **Claim** equal to the Limit of Liability Each **Claim** as stated in Item 3. on the Declarations Page; and
2. the Company's maximum liability for all **Damages** resulting from all **Claims** covered under this policy is the Limit of Liability Aggregate stated in Item 3. on the Declarations Page. There shall be a separate Limit of Liability Aggregate applicable to all **Claims Expenses** for all such **Claims** equal to the Limit of Liability Aggregate as stated in Item 3. on the Declarations Page.

B. For the purposes of coverage under this policy, all acts, errors or omissions or **Personal Injuries** that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision, regardless of the number of **Claims** or claimants, will be considered to be one act, error or omission or **Personal Injury** and will be deemed to have taken place at the time the first of these related acts, errors or omissions or **Personal Injuries** took place. All **Claims** based upon such logically or causally connected acts, errors or omissions or **Personal Injuries** shall be deemed to constitute a single **Claim**, shall be subject to a single Deductible and Each **Claim** Limit of Liability, and shall be deemed to have been first made on the date on which the first of all such logically or causally connected **Claims** was made.

C. The Company's liability for **Damages** and **Claims Expenses**, resulting from each **Claim** is in excess of the Deductible amount stated on the Declarations Page. The Deductible amount applies to **Claim Expenses** and **Damages** and the Deductible amount applies once per each **Claim**.

- D. In the event the **Named Insured** participates in an **Alternative Dispute Resolution** to settle a **Claim**, the Company will waive 50% of the **Named Insured's** Deductible obligation. The maximum amount of this waiver shall not exceed \$25,000 per **Claim**. If the **Alternative Dispute Resolution** fails to resolve the **Claim**, and the **Claim** proceeds to litigation, the Deductible will apply without the 50% waiver to any **Damages** and **Claims Expenses** incurred once the litigation has commenced.
- E. If any **Claim** reported under this policy is also covered by one or more primary insurance policies or certificates of insurance issued by the Company, or by any other affiliated company of GENERAL STAR NATIONAL INSURANCE COMPANY or any successor company, to the **Named Insured**, or to any person who controls, is controlled by or affiliated by common control with the **Named Insured**, then with respect to such **Claim**:
1. The Company shall not be liable under this policy for a greater proportion of the loss than the applicable Limit of Liability under this policy bears to the total limits of liability of all such policies; and
 2. The maximum amount payable under all such policies shall not exceed the Limit of Liability of that policy which has the highest Limit of Liability.
- F. The Limits of Liability of this insurance policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **Policy Period** shown in the Declarations Page, unless the **Policy Period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability. The purchase or application of any Extended Reporting Period shall not increase the Limits of Liability stated in Item 3. on the Declarations Page.

SECTION III -- TERRITORY

The insurance afforded by this policy applies to acts, errors, omissions or **Personal Injury** taking place anywhere in the world. However, **Claims** must be

made and maintained and **Suits**, if any, must be brought and maintained within the United States of America, its territories, possessions or Canada.

SECTION IV -- DUTIES, ASSISTANCE AND COOPERATION OF NAMED INSURED

A. Duties in the Event of an Act or Circumstance

If, during the **Policy Period** or applicable Extended Reporting Period, the **Named Insured** becomes aware of any act or circumstance, which took place during the **Policy Period**, that may reasonably be anticipated to give rise to a **Claim**, the **Named Insured** must notify the Company in writing as soon as practicable, but in no event after the end of the **Policy Period** or applicable Extended Reporting Period. Any **Claim** that subsequently arises out of such act or circumstance shall be considered to be a **Claim** made and reported during the **Policy Period** or Extended Reporting Period in which such written notice was received by the Company. Notice shall include all demand letters and the fullest information obtainable surrounding the act or circumstance.

B. Duties In the Event of a Claim

If, during the **Policy Period** or any applicable Extended Reporting Period, a **Claim** is brought against the **Named Insured** arising out of any act, error, omission or **personal Injury** to which this insurance applies:

1. the **Named Insured** must:
 - a. immediately record the specifics of the **Claim** and the date received;
 - b. provide the Company with written notice of the **Claim** as soon as practicable, but in no event after the end of the **Policy Period** or any applicable Extended Reporting Period;
 - c. immediately send the Company copies of any demand letters, pleadings, notices, summonses, or other legal papers received in connection with the

claim; and

2. the **Named Insured** must cooperate with the Company in the investigation, defense or settlement of the **Claim** including:
 - a. upon request, submit to examination and interrogation under oath by our representative;
 - b. attend hearings, depositions and trials as requested by the Company;
 - c. assist in securing and giving evidence and obtaining the attendance of witnesses; and
 - d. provide written statements to our representative and attend meetings with such representative for the purpose of investigation and/or defense, all without charge to the Company.

C. The **Named Insured** shall not, except at his or her own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent. The **Named Insured** may provide for **Alternative Dispute Resolution** with a client under an engagement letter or any other written contract as long as such agreement is executed in writing prior to any **Claim** or awareness of an act or circumstance that may reasonably be anticipated to give rise to a **Claim** by such client.

D. The **Named Insured** consents to the submission of special verdict forms or other written inquiries to the trier of fact for the purpose of determining the basis for the **Named Insured's** liability and any **Damages** awarded if **Suit** or any other proceeding is brought on the **Claim**.

SECTION V -- SUPPLEMENTARY PAYMENTS

A. The Company will pay, in addition to the applicable Limit of Liability:

1. Up to \$250 for loss of earnings to the **Named Insured** for each day or part of a day of such **Named Insured's** attendance at

the Company's request at a trial, hearing or arbitration proceeding involving a **Claim** against the **Named Insured** for covered **Damages** ; provided further that the maximum aggregate amount so payable for

any one or series of trials, hearings or arbitration proceedings shall in no event exceed \$5,000; and

2. Up to \$2,500 to the **Named Insured** for attorney fees, and other costs, expenses or fees resulting from the investigation or defense of a proceeding before a state licensing board, local real estate board or governmental regulatory body incurred as the result of a notice of a proceeding, excluding commission disputes, first received by the **Named Insured** and reported to the Company during the **Policy Period**, arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** by the **Named Insured** covered under this policy; provided further that \$2,500 is the maximum aggregate amount payable to the **Named Insured** regardless of the number of proceedings.

- B. The Company will pay, as part of the applicable Limit of Liability:

Up to \$100,000 to the **Named Insured** for **Damages** and/or **Claims Expenses** as a result of all **Claims** reported to the Company during the **Policy Period** upon which **Suit** may be brought against the **Named Insured** for discrimination on the basis of age, sex, race, religion, marital status, national origin or sexual preference, including resulting **Personal Injury**.

This sub-limit shall be part of, and not in addition to the Limit of Liability stated on the Declarations Page.

The Company shall not be obligated to pay any **Claims Expenses** or **Damages**, or to defend any **Suit**, after the applicable \$100,000 sub-limit of the Company's liability has been exhausted.

SECTION VI -- EXCLUSIONS

The Company has no obligation under this policy to pay **Damages** or **Claims Expenses**, or to provide a defense, in connection with any **Claim**:

- A. based on or arising out of a dishonest, fraudulent, criminal or malicious act or omission, or intentional misrepresentation, (including, but not limited to, actual or alleged violations of state or federal anti-trust, price-fixing, restraint of trade or deceptive trade practice laws, rules or regulations) committed by, at the direction of, or with the knowledge of the **Named Insured**;
- B. based on or arising out of the insolvency or bankruptcy of the **Named Insured**;
- C. based on or arising out of any disputes involving the **Named Insured's** fees, commissions or charges, the failure to pay or collect premium, escrow or tax money, or the conversion, misappropriation, commingling or defalcation of funds or other property;
- D. based on or arising out of the rendering of or failure to render **Professional Services** by the **Named Insured** as employee, owner, partner, stockholder, director or officer of any sole proprietorship, partnership, **Limited Liability Partnership/Corporation**, corporation or other business enterprise not listed on the Declarations Page;
- E. based on or arising out of actual or alleged:
 1. **Bodily Injury**; or
 2. **Property Damage**.
- F. based on or arising out of any obligations for which the **Named Insured** or any insurer may be liable under any workers' compensation, unemployment compensation, disability, retirement plan, pension or pension benefits law, or any similar laws, including but not limited to, the Employee Retirement Income Security Act of 1974 (commonly known as ERISA), or any of its amendments, or any other similar state or local law, or any non-qualified plan, while the **Named Insured** is acting as a fiduciary within the meaning of such laws;
- G. based on or arising out of any actual or alleged violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any state "blue sky" or securities law, or any similar state or federal statutes, including any **Claim** based upon common law principles of liability if made in connection with an actual or alleged violation of any such statute or regulation;
- H. based on or arising out of appraisal services or the representation of clients in any securities transaction (either registered or exempt) including but not limited to bond or other debt offerings, public stock offerings, property syndication or real estate investment trusts;

- I. based on or arising out of the sale or purchase of insurance, or the failure to effect or maintain adequate levels or types of insurance;
- J. based on or arising out of liability assumed by the **Named Insured** under any oral or written contract or agreement, including any warranty, except that this exclusion shall not apply to liability the **Named Insured** would have in the absence of such contract, agreement or warranty;
- K. based on or arising out of activities of the **Named Insured** as a mortgage banker, mortgage counselor, home inspector, mortgage broker, business broker, independent third party escrow agent, contractor, construction advisor, property developer, insurance agent, insurance broker, real estate agent, real estate broker, buyers broker, real estate consultant, real estate counselor or property manager;
- L. based on or arising out of the actual or attempted purchase of property by the **Named Insured**;
- M. based on or arising out of the actual or attempted appraisal of property by the **Named Insured** if at the time of the act, error, omission or **Personal Injury** giving rise to such claim:
 1. the **Named Insured** in any part owned such property;
 2. the **Named Insured** was the developer, builder, real estate broker or salesperson of such property;
 3. such appraisal services were in exchange for stock, partial ownership or investment in such property; or
 4. The **Named Insured** was employed or subcontracted by a real estate broker or salesperson who was a party to any transaction involving the appraised property;
- N. based on or arising out of actual or attempted purchase of property by, or appraisal of property developed, constructed or owned by:
 1. any entity in which the **Named Insured** has a financial interest;
 2. any entity which has a financial interest in the **Named Insured**; or
 3. any entity which is under the same financial control as the **Named Insured**, provided that such financial interest existed at the time of the act, error, omission or **Personal Injury** giving rise to the **Claim**;
- O. based on or arising out of infringement of any copyright, title, slogan, patent, trademark, trade name, trade dress, service mark or service name;
- P. based on or arising out of any guarantee or promise of future status, performance or valuation in the course of performing **Professional Services** by the **Named Insured**;
- Q. based on or arising out of the alleged notarized certification or acknowledgement by the **Named Insured** of a signature on any document that the **Named Insured** did not witness being placed on the document;
- R. based on or arising out of:
 1. the inspection, evaluation or testing of, or the failure to inspect, evaluate or test for, any items listed in 4. a. through d. below;
 2. The failure to discover or disclose any items listed in items 4. a. through d. below;
 3. The actual, alleged or threatened inhalation of, ingestion or, contact with, exposure to, existence of, or presence of, any of the listed items in 4. a. through d. below on or within a building or structure, including its contents; or
 4. The clean up, remediation, containment, removal or abatement of any items listed in a. through d. below:
 - a. any **Fungus(i), Mold(s)**, mildew or yeast;
 - b. any **Spore(s)** or toxins created or produced by or emanating from such **Fungus(i), Mold(s)**, mildew, or yeast;
 - c. any substance, vapor, gas or other emission of any organic or inorganic body or substance produced by or arising out of any **Fungus(i), Mold(s)**, mildew, or yeast; and
 - d. any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure that contains, harbors, nurtures or acts as a medium for any **Fungus(i), Mold(s)**, mildew, yeast, or **Spore(s)** or toxins emanating therefrom, regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence.
- S. based upon or arising out of pollution or **Pollutants**, including:
 1. **Bodily Injury** or **Property Damage** which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration,

- release or escape of **Pollutants** at any time.
2. any loss, cost or expense arising out of any:
 - a. request, demand, order or statutory or regulatory requirement that the **Named Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants**; or
 - b. **Claim** by or on behalf of a governmental authority for **Damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **Pollutants**;
 - T. based on or arising out of the gaining in fact of any personal profit or advantage to which the **Named Insured** is not legally entitled, including misappropriation, conversion, embezzlement, commingling or defalcation of funds or other property;
 - U. based on or arising out of **Bodily Injury, Personal Injury, or Property Damage** from the installation, removal, disposal, handling, use or existence of, exposure to, contact with, or the ingestion of lead paint or any other substance or matter containing lead paint or the residue of lead paint;
 - V. based on or arising out of discrimination of any kind by the **Named Insured**, including but not limited to discrimination due to or on the basis of age, sex, race, color, religion, disability, marital status, pregnancy, national origin, HIV or AIDS status, sexual origin, sexual orientation, or sexual preference; provided, however, this exclusion does not apply to any coverage afforded by SECTION V. B - SUPPLEMENTARY PAYMENTS;
 - W. based on or arising out of the **Named Insured's** unauthorized use of confidential, privileged or non-public material or information for any purpose whatsoever;
 - X. based on or arising out of **Professional Services** rendered by any person or entity other than the **Named Insured**;
 - Y. based on or arising out of **Professional Services** rendered by the **Named Insured** if such claim was based on or arising out of such **Named Insured's** supervision, subcontracting, assignment or referral of any portion of any contract, project or engagement.

SECTION VII -- DEFINITIONS

When used in this policy (including endorsements forming a part of the policy):

- A. **Alternative Dispute Resolution** means the use of mediation or non-binding arbitration proceedings in which the **Named Insured** participates with the consent of the Company.
- B. **Bodily Injury** means bodily harm, sickness, disease, emotional distress or death of any person.
- C. **Claim** means a demand for money, receipt of a request to provide a recorded statement, the filing of **Suit** or the institution of arbitration or mediation proceedings naming the **Named Insured**, claiming **Damages** and alleging an act, error, omission or **Personal Injury** resulting from the rendering of or failure to render **Professional Services**.
Claim does not include proceedings seeking injunctive or other non-pecuniary relief, or administrative proceedings before any national, state, regional or local board of real estate agents, or any committee or sub-committee, except as provided in SECTION V.B.
- D. **Claims Expenses** means:
 1. fees charged by an attorney(s) designated by the Company and all other fees, costs, and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, if incurred by the Company, or by the **Named Insured** with written consent of the Company, but does not include salary charges or expenses of regular employees or officials of the Company, or fees and expenses of independent adjusters;
 2. all costs taxed against the **Named Insured** in such **Claim**, and all interest on the entire amount of any judgment which accrues after entry of the judgment and before the Company has paid, tendered or deposited, whether in court or otherwise, the part of the judgment which does not exceed the Company's Limit of Liability;
 3. judgment interest, which when payable under this policy, is made a part of and is subject to the separate Limit of Liability -

Each **Claim** applicable to **Claims Expenses**; or

4. premiums on appeal bonds and premiums on bonds to release attachments in such **Claims**, but not premiums for bond amounts in excess of the applicable Limit of Liability of this policy. Notwithstanding the foregoing, the Company shall have no obligation to pay for or furnish any bond.

E. **Damages** means compensatory judgments, settlements or awards, but does not include punitive or exemplary damages, fines or penalties, sanctions, the return of fees or other consideration paid to the **Named Insured**, or that portion of any award or judgment caused by the trebling or multiplication of actual damages under federal or state law. **Damages** also does not include **Claims Expenses**.

However, if a **Claim** is brought against the **Named Insured** with respect to alleged acts, errors or omissions falling within the scope of coverage afforded by this policy, and such **Claim** seeks both compensatory and punitive or exemplary **Damages**, then the Company will afford a defense to such action without liability for payment of such punitive or exemplary **Damages**.

F. **Fungus(i)** means any type or form of fungus, and including **Mold** or mildew and any mycotoxins, **Spores**, scents, byproducts produced or released by fungi, smuts, rust, or mushrooms.

G. **Limited Liability Partnership/Corporation** means a type of business organization, governed by State law, that protects a partner or member from personal liability for acts committed by other partners, members or employees not under his/her direct control.

H. **Mold(s)** means any superficial growth produced on damp or decaying organic matter or on living organisms, and **Fungi** that produce **Mold**.

I. **Named Insured** means the person named in Item 1. of the Declarations Page.

J. **Personal Injury** means:

1. false arrest, detention or imprisonment, wrongful entry or eviction, other invasion of private occupancy, or malicious prosecution; or
2. the publication or utterance of a libel, slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.

K. **Policy Period** means the period from the inception date of this policy to the policy expiration date as set forth on the Declarations Page, or its earlier termination date, if any.

L. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

M. **Professional Services** means services performed by the **Named Insured** in the **Named Insured's** capacity as an appraiser of real estate as long as the **Named Insured** is properly licensed or certified at the time of the act, error or omission giving rise to the **Claim** and as long as such service is rendered on or behalf of the customer or client in return for a fee, commission, or other compensation. It includes incidental services rendered by the **Named Insured** as a notary public, or as a member of a formal accreditation committee, standards review committee or similar board or committee. **Professional Services** does not include the supervision of, subcontracting to, assignment to or referral of any portion of any contract, project or engagement by the **Named Insured**.

N. **Property Damage** means physical injury to, destruction of or loss of use of tangible property.

O. **Spores** means any dormant or reproductive body produced by or arising or emanating out of any **Fungus(i)**, **Mold(s)**, mildew, plants or organisms or microorganisms.

P. **Suit** means a civil adjudicatory proceeding in a court of law.

SECTION VIII -- EXTENDED REPORTING PERIODS

A. Automatic Extended Reporting Period:

In case of cancellation or non-renewal of this policy by the **Named Insured** or the Company, for any reason except as noted in SECTION VIII(C), an automatic sixty (60) day extended reporting period, effective at the termination of the **Policy Period**, will be provided by the Company at no additional cost. This Automatic Extended Reporting Period shall extend the time in which the **Named Insured** can give written notice to the Company of **Claims** first made against the **Named Insured** during the **Policy Period** for any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** taking place prior to the termination of the **Policy Period**, subject to its terms, limitations, exclusions and conditions.

B. Optional Extended Reporting Period

1. In the event that:

- a. The **Named Insured** or the Company cancels or nonrenews this policy; or
- b. The Company renews this policy with a Retroactive Date that is more recent in time than the Retroactive Date provided in this policy;

the **Named Insured** shall have the right to an extension of coverage, known as the Optional Extended Reporting Period, for the time periods and at the premiums set forth below, for **Claims** first made against the **Named Insured** and reported in writing to the Company during the Optional Extended Reporting Period for any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** occurring prior to the termination of the **Policy Period**, subject to its terms, limitations, exclusions and conditions.

Except as otherwise set forth in this section, all terms, conditions and exclusions of the policy shall apply to **Claims** first made and reported to the Company during the Optional Extended Reporting Period. The right to purchase the Optional Extended Reporting Period shall terminate unless written notice of the **Named Insured's** election together with the full premium is received by the Company or its authorized agent within sixty (60) days of the end or termination of the **Policy Period**. The Optional Extended Reporting Period may not be renewed upon its expiration.

2. The Optional Extended Reporting Period is available for the following time periods and

premiums:

- a. twelve (12) months for an additional 100% of the full annual premium;
- b. twenty-four (24) months for an additional 135% of the full annual premium; or
- c. thirty-six (36) months for an additional 150% of the full annual premium.

C. Death, Disability or Retirement Reporting Period

In the event the **Named Insured** dies or becomes permanently and totally disabled during the **Policy Period**, an Unlimited Extended Reporting Period will be granted at no additional premium, provided that:

1. within sixty (60) days of the death or permanent and total disability the **Named Insured's** estate requests the Unlimited Extended Reporting Period; and
2. the **Named Insured's** estate furnishes written evidence and proof of the date of the **Named Insured's** death, or
3. the **Named Insured** provides evidence and proof of the permanent and total disability including the date of the actual disability and written certification by the **Named Insured's** attending physician; and
4. the **Named Insured** agrees to submit to any medical examination(s) as requested by the Company, by any physician designated by the Company for the purpose of verifying such permanent and total disability.

If after reaching age 65, and having been continuously insured by the Company on a claims-made basis for a minimum of 5 years the **Named Insured** retires during the **Policy Period**, an Unlimited Extended Reporting Period will be granted at no additional premium provided that the **Named Insured** within sixty (60) days of the retirement requests the Unlimited Extended Reporting Period;

D. Applicability of Extended Reporting Periods

None of the Extended Reporting Periods shall apply if the policy is rescinded, cancelled or nonrenewed for any of the following reasons:

1. Flat cancellation by the Company effective at policy inception for non-payment of premium;
2. Cancellation by the Company effective mid-term for non-payment of any premium;
3. Failure to comply with policy provisions;
4. Non-payment of a deductible;
5. Failure to cooperate with the Company; or

6. Fraud, concealment or material misrepresentation of facts in any application for this policy or any renewal policy for this insurance.

E. Retiree Extended Reporting Period Option

The **Named Insured** shall, for an additional premium of 160% of the full annual premium for this policy, have the right to a Retiree Extended Reporting Period for an unlimited period following the effective date of cancellation or non-renewal. The Terms of this Retiree Extended Reporting Period shall be governed by SECTION VIII.B. This right shall terminate, however, unless written notice of election together with the additional premium is received by the Company or its authorized agent from the **Named Insured** within sixty (60) days after the effective date of cancellation or non-renewal.

F. Termination of Any Extended Reporting Period Option

Once in effect, the Optional Extended Reporting Period and Retiree Extended Reporting Period may not be canceled. At the commencement of any Extended Reporting Period, the entire premium shall be deemed earned and the Company shall not be liable to return to the **Named Insured** any portion of the premium for any Extended Reporting Period.

G. Miscellaneous

There are no separate or additional Limits of Liability for the Automatic Extended Reporting Period, the Optional Extended Reporting Period, the Death, Disability or Retirement Reporting Period or the Retiree Extended Reporting Period.

The Aggregate Limit of Liability available during the Automatic Extended Reporting Period, the Optional Extended Reporting Period or the Retiree Extended Reporting Period if purchased, shall be the remaining amount, if any, of the Aggregate Limit of Liability at the end of the **Policy Period**. The Aggregate Limit of Liability available during the Disability or Retirement Reporting Period shall be the remaining amount, if any, of the Aggregate Limit of Liability at the end of the **Policy Period**. Furthermore, the Automatic Extended Reporting Period does not extend the time in which to exercise the right to purchase the Optional Extended Reporting Period or the Retiree Extended Reporting Period. The first sixty (60) days of the Optional Extended Reporting Period or the Retiree Extended Reporting Period if purchased, shall run concurrently with the Automatic Extended Reporting Period. The Deductible Amount shown in Item 6. on the Declarations Page shall apply to any Extended Reporting Period provided by this policy.

SECTION IX -- GENERAL CONDITIONS

A. Premium:

All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to this insurance. The **Named Insured** shall maintain records of the information necessary for premium computation and shall send copies of such records to the Company at such times as the Company may direct.

B. Assignment:

This policy may not be assigned without first obtaining the written consent of the Company. The **Named Insured's** rights under this policy are not assignable. If the **Named Insured** shall die or be adjudged incompetent, this insurance shall terminate for such person, but shall cover the **Named Insured's** legal representative with respect to liability previously incurred and covered by this insurance.

C. Legal Action Against The Company:

No action shall lie against the Company unless there shall have been full compliance with all of the terms of this policy, nor until the amount of the **Named Insured's** obligation to pay shall have been finally determined, either by judgment against the **Named Insured** or by written settlement agreement between the **Named Insured** and the claimant, entered into with the written consent of the Company.

Any person or organization or the legal representative thereof who has secured a judgment or written settlement agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. A written settlement agreement means a settlement and release of liability signed by the **Named Insured** and the claimant with the written consent of the Company. No person or

organization shall have any right under this policy to join the Company as a party to any action against the **Named Insured** to determine the **Named Insured's** liability, nor shall the Company be impleaded by the **Named Insured** or his legal representative.

The Company will not be liable for **Damages** that are not payable under the terms of this Policy or that are in excess of the applicable Limit of Liability.

D. Conformity to Statute:

In the event that any terms, conditions or exclusions of this policy conflict with any law applicable to the coverage afforded hereunder, the terms of this contract shall, by this statement, be amended to conform to such law or laws.

E. Other Insurance And Method Of Sharing

If other valid and collectable insurance is available to the **Named Insured** for a **Claim** covered under this policy, the Company's obligations are limited as follows:

1. if all of the other insurance permits contribution by equal shares, the Company will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first;
2. if any of the other insurance does not permit contribution by equal shares, the Company will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

F. Subrogation:

To the extent of any payment under this policy, the Company shall be subrogated to all the **Named Insureds'** rights of recovery against any person, organization or entity, and the **Named Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Named Insured** shall do nothing after any loss to prejudice such rights.

G. Cancellation:

This policy may be canceled by the **Named Insured** by surrender thereof to the Company or any of its authorized representatives or by mailing to the Company written notice stating

when thereafter the cancellation shall be effective.

The policy may be canceled by the Company by mailing to the **Named Insured** at the address shown on the Declarations Page written notice stating when not less than 60 days thereafter, or 10 days in the case of nonpayment of premium, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to mailing.

If the Company cancels, the earned premium shall be the pro rated amount of the annual premium. If the **Named Insured** cancels, the premium will be cancelled short rate where allowable by law. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed to the **Named Insured** shall be sufficient tender of any refund or premium due to the **Named Insured**, provided that if at the time of cancellation the Aggregate Limit of Liability has been exhausted, the entire premium shall be considered earned.

H. Nonrenewal:

The Company may nonrenew this policy by mailing or delivering to the **Named Insured** at the address stated in the Declarations Page written notice of nonrenewal at least 60 days before the expiration date of this policy. The offer of renewal policy terms, conditions, or premium amount different than those in effect prior to renewal does not constitute nonrenewal.

I. Changes:

The terms of this policy shall not be waived or changed except by endorsement issued to form a part of this policy.

J. Bankruptcy or Insolvency of Named Insured:

Bankruptcy or insolvency of the **Named Insured** or of the **Named Insured's** estate shall not relieve the Company of any of its obligations under this policy.

K. Application Representations:

By acceptance of this policy, the **Named Insured** agrees that the statements in the application are the **Named Insured's** agreements and representations, that they shall be deemed material, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the **Named Insured** and the Company.

L. Reimbursement:

While the Company has no duty to do so, if the Company pays **Damages** or **Claims Expenses**:

1. within the amount of the applicable Deductible, or
2. in excess of the applicable Limit of Liability, or
3. Under a reservation of rights to seek reimbursement, and it is determined that the Company is entitled to reimbursement,

upon written demand, the **Named Insured** shall repay such amounts to the Company within thirty (30) days. Failure to pay any amount indicated may lead to policy termination.

M. Liberalization:

If the Company adopts, during the **Policy Period**, any revision that without additional premium would broaden coverage under this policy, the broadened coverage will apply to this policy effective when the provision has been approved by the appropriate regulatory authority but such provision shall only apply to **Claims** first made after the date such approval is received by the Company.

N. Examination of Your Books and Records:

The Company may examine and audit your books and records as they related to this policy at any time during the **Policy Period** and up to three (3) years afterward.

O. Demise of Named Insured

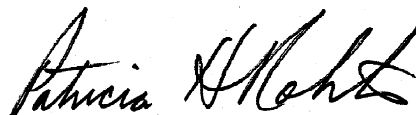
This coverage shall terminate at the earlier of policy termination or thirty (30) days from the date of the demise of the **Named Insured** unless written notice is given to the Company, together with such information as the Company may request.

IN WITNESS WHEREOF the **GENERAL STAR NATIONAL INSURANCE COMPANY** has caused this Policy to be signed by its President and Secretary at Stamford, Connecticut, but the same shall not be binding upon the Company unless countersigned on the Declarations Page by an authorized representative of the Company.

GENERAL STAR NATIONAL INSURANCE COMPANY



Secretary



President