



GENERAL STAR NATIONAL INSURANCE COMPANY
P.O. Box 10354
Stamford, Connecticut 06904

REAL ESTATE APPRAISERS ERRORS & OMISSIONS LIABILITY INSURANCE POLICY

DECLARATIONS PAGE

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

Policy Number: **NJA994478A** Renewal of Number: **NJA994478**

Bart Howell

1. NAMED INSURED: **31 Carrington Dr**
MAILING ADDRESS: **Cartersville, GA 30120**

2. POLICY PERIOD: Inception Date: **08/29/2006** Expiration Date: **08/29/2007**
 Effective 12:01 a.m. Standard Time at the mailing address of the Named Insured.

3. LIMIT OF LIABILITY:
 Each Claim: **\$ 1,000,000**
 Aggregate: **\$ 2,000,000**
 Lock Box Liability: **N/A**

4. CLAIM EXPENSES:
 b. Have a separate limit of liability.

5. STATUS OF INSURED: **Corporation**

6. DEDUCTIBLE: **\$500/1,000**
 Each Claim:
 b. The deductible amount specified above applies to both Damages and Claims Expenses.

7. PRIOR ACTS DATE: **08/29/2003**
 If a date is indicated, this insurance will not apply to any regular act, error, omission or personal injury which occurred before such date.

8. PREMIUM: **\$ 670.00**

9. ENDORSEMENTS:
 This policy is made and accepted such to the printed conditions in this policy together with the provisions, stipulations and agreements contained in the following form(s) or endorsement(s).

GSN-06-RE-125GA (10/2003) GSN-06-PL-812GA (06/2003)
 GSN-06-RE-200 (04/2003) GSN-07-PL-375 (02/2006)

10. MANAGING AGENT

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

Authorized Representative

Producer Code: 00026230
 Date: 09/15/2006

Class Code: 73128
 SLA#:

GSN-06-RE-720 (03/2004)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement # 1, effective 08/29/2006 forms a part of Policy # NJA994478A issued to Bart Howell

ADDITIONAL INSURED ENDORSEMENT - APPRAISERS

This endorsement modifies insurance provided under the following:

REAL ESTATE ERRORS & OMISSIONS POLICY

The following entity is added to this policy as an Additional Insured, but only with respect to claims arising out of any negligent act, error, omission or Personal Injury or the rendering or failure to render Professional Services by the individual specified in Item 1, Named Insured, of the Declarations Page.

**Howell Appraisal Services Inc
Howell Appraisal Services**

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED

GSN-06-RE-200 (04/2003)

Page 1 of 1

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HOWB81-2

Processed by Herbert H. Landy Insurance Agency Inc. Needham, MA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement # 2, effective 08/29/2006 forms a part of Policy # NJA994478A issued to Bart Howell

EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND OTHER ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY ERRORS & OMISSIONS INSURANCE POLICY

The following exclusion is added to the EXCLUSIONS section:

TERRORISM

A. This policy does not apply to Any Injury Or Damage or Claims or Claims Expenses arising directly or indirectly, out of a Certified Act Of Terrorism or an Other Act Of Terrorism. However, with respect to an other act of terrorism, this exclusion applies only when one or more of the following are attributed to such act:

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

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an other Act Of Terrorism and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. This policy does not apply to Damages, Claims or Claims Expenses arising, directly or indirectly, out of a Certified Act Of Terrorism or Other Acts Of Terrorism that are awarded as punitive damages.

C. The following definitions are added for the purposes of this endorsement:

- 1. Any Injury Or Damage means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to bodily injury, property damage, personal and advertising injury, injury or environmental damage as may be defined in any applicable Coverage Part.**
 - 2. Certified Act Of Terrorism means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a certified act of terrorism:**
 - a. The act resulted in aggregate losses in excess of \$5 million; and**
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.**
 - 3. Other Act Of Terrorism means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002. Multiple incidents of an Other 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.**
- D. In the event of any incident of a Certified Act Of Terrorism or an Other Act Of Terrorism that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.**

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

Named Insured: Bart Howell

Policy Number: NJA994478A Endorsement Number: 2

Endorsement Effective Date: 08/29/2006

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.

GEORGIA AMENDATORY ENDORSEMENT

SECTION VIII – DEFINITIONS, DAMAGES is deleted in its entirety, and is replaced by the following:

Damages means compensatory judgments, settlements or awards, but does not include fines or penalties, sanctions, the return of fees or other consideration paid to the **Insured**.

However, if a **Suit** is brought against an **Insured** with respect to a **Claim** for alleged acts, errors or omissions falling within the scope of coverage afforded by this policy, and such **Suit** seeks both compensatory and punitive or exemplary **Damages**, then the Company will afford a defense to such action.

SECTION X – GENERAL CONDITIONS, CLAUSE G., OTHER INSURANCE, is deleted in its entirety, and is replaced by the following:

G. OTHER INSURANCE

If there is other valid insurance (whether primary, excess, contingent or self-insurance, including Extended Reporting Period coverage from previous insurance) against a **Loss** covered by this policy, the insurance provided hereunder shall be deemed excess insurance over and above the applicable limit of all other insurance or self-insurance.

When this insurance is excess, the Company shall have no duty under this policy to defend any **Claim** that any other insurer or self-insurer has a duty to defend. If such other insurer or self-insurer refuses to defend such **Claim** or suit, the Company shall be entitled to the Insured's rights against all such other insurers or self-insurers for any defense expenses incurred by the Company.

When both this insurance and other insurance or self-insurance apply to the **Claim** on the same basis, whether primary, excess or contingent, the Company shall not be liable under this policy for a greater proportion of the **Loss** or defense expenses than the applicable limit of liability under this policy for such **Claim** bears to the total applicable limit of liability of all valid and collectible insurance against such **Claim**. Subject to the foregoing, if a **Loss** occurs involving two (2) or more policies, each of which provides that its insurance shall be excess, each will contribute pro rata.

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

SECTION X – GENERAL CONDITIONS, CLAUSE I., CANCELLATION, is deleted in its entirety, and is replaced by the following:

I. CANCELLATION

1. This policy may be cancelled by the Named Insured by mailing or delivering to the Company written notice stating a future date on which the policy is to be canceled, subject to the following:
 - a. If only the interest of the Named Insured is affected, the effective date of cancellation will be either the date the Company receives notice from the Named Insured or the date specified in the notice, whichever is later. However, upon receiving a written notice of cancellation from the Named Insured, the Company may waive the requirement that the notice state the future date of cancellation, by confirming the date and time of cancellation in writing to the Named Insured.
 - b. If by statute, regulation or contract this policy may not be canceled unless notice is given to a governmental agency, mortgagee or other third party, the Company will mail or deliver at least ten (10) days notice to the Named Insured and the third party as soon as practicable after receiving the Named Insured's request for cancellation.

The Company's notice will state the effective date of cancellation which will be the later of the following:

- (1) Ten (10) days from the date of mailing or delivering of the Company's notice; or
 - (2) The effective date of cancellation stated in the Named Insured's notice to the Company.
2. This policy may be canceled by the Company by mailing to the Named Insured at the address shown in the policy written notice stating when not less than sixty (60) days thereafter, or ten (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 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 such mailing.
 3. If either the Named Insured or the Company cancels, earned premium shall be the pro rata amount of the annual premium. 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 as aforesaid shall be sufficient tender of any refund or premium due to the Named Insured.

SECTION X – GENERAL CONDITIONS, CLAUSE J., NONRENEWAL, is deleted in its entirety, and is replaced by the following:

J. NONRENEWAL

If the Company decides to:

1. Nonrenew this policy;
2. Increase current policy premium by more than 15% (other than any increase due to change in risk, exposure or experience modification or resulting from an audit of auditable coverages); or
3. Change any policy provision which would limit or restrict coverage;

Then the Company will mail or deliver notice of its action (including the dollar amount of any increase in renewal premium of more than 15%) to the Named Insured, at the address stated in the Declarations Page. The Company will mail or deliver notice at least forty-five (45) days before the expiration date of this policy if the Company decides to nonrenew, increase the premium or limit or restrict coverage.

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 PROFESSIONAL LIABILITY INSURANCE POLICY
CLAIMS MADE**

THIS REAL ESTATE APPRAISERS PROFESSIONAL LIABILITY POLICY PROVIDES COVERAGE ON A **CLAIMS-MADE** AND REPORTED BASIS. THE COVERAGE PROVIDED BY THIS POLICY IS LIMITED TO ONLY THOSE CLAIMS WHICH ARISE FROM PROFESSIONAL SERVICES RENDERED AFTER THE RETROACTIVE DATE STATED IN THE DECLARATIONS AND WHICH ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO US 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 to either your agent / broker or to:

General Star Management Company

123 N. Wacker Drive

Chicago, IL 60606

Fax: 312-267-8520

Attn: Professional Liability Claims

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

IMPORTANT

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

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

THE POLICY IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD UNLESS, AND TO THE EXTENT, THE EXTENDED REPORTING PERIOD OPTION APPLIES.

GENERAL STAR NATIONAL INSURANCE COMPANY, hereinafter called the Company, agrees with the **Named Insured** as shown in the Declarations which are made a part of this policy; in consideration of the payment of the premium, and in reliance upon the statements on the application and the Declarations Page and subject to the limit 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 **Insured** all sums which the **Insured** shall become legally obligated to pay as **Damages** for **Claims** first made against the **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 an **Insured** covered under this policy; 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** happened on or after the Prior Acts Date as indicated on the Declarations Page of this policy; and
 - 2. the **Insured** had no reasonable basis to believe that any **Insured** had breached a professional duty and no reasonable basis to believe an act, error or omission might be expected to result in a **Claim** or **Suit**.

The Company shall have the right and duty to defend any **Suit** against the **Insured** seeking **Damages** to which this insurance applies even if any of the allegations of the **Suit** are groundless, false or fraudulent. The Company, at its option, shall select and assign defense counsel; however, the **Insured** may engage additional counsel, solely at their own expense, to associate in the defense of any covered **Claim**. The **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 the **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**, and the liability of the Company for **Damages** and **Claims Expenses** shall not exceed the amount for which the **Claim** could have been settled, as well as the **Claims Expenses** incurred by the Company or with the Company's consent up to the date of such refusal.

In the event that:

- A. Item 4.a. of the Declarations Page is applicable to this policy, **Claims Expenses** shall be part of, and not in addition to, the Limits of Liability specified in Item 3. of the Declarations Page; or
- B. Item 4.b. of the Declarations Page is applicable to this policy, **Claims Expenses** shall be in addition to the Limits of Liability specified in Item 3. of the Declarations Page and shall be limited to an amount equal to each **Claim** and "aggregate" Limit of Liability in Item 3. of the Declarations Page.

In no event shall the Company be obligated to pay **Damages** or **Claims Expenses** or to defend, or continue to defend, any **Suit** after the applicable limit of the Company's liability has been exhausted by payments of **Damages** or **Claims Expenses**.

SECTION II -- PERSONS INSURED

The person named in item 1. of the Declarations Page is the **Named Insured** for purposes of this policy.

SECTION III -- LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of **Insureds** covered under this policy or the number of **Claims** made, the Company's liability is limited as follows:

A. In the event **Claims Expenses** are included within the limit of liability as specified in Item 4.a. of the Declarations Page, the limit of liability stated on the Declarations Page as applicable to "each **Claim**" is the limit of the Company's liability for all **Damages** and **Claims Expenses** because of each **Claim** covered. All **Claims** arising from the same or related act, error or omission or **Personal Injury** shall be considered a single **Claim** for the purpose of this insurance and shall be subject to the same limit of liability.

The limit of liability stated on the Declarations Page as "aggregate" is, subject to the above provision respecting "each **Claim**", the total limit of the Company's liability under this policy for all **Damages** and **Claims Expenses**.

B. In the event **Claims Expenses** are in addition to the limit of liability as specified in Item 4.b. of the Declarations Page, the limit of liability stated on the Declarations Page as applicable to "each **Claim**" is the limit of the Company's liability for **Damages** resulting from each **Claim** covered. There shall be a separate limit of liability applicable to **Claims Expenses** for any such **Claim** equal to the limit of the Company's liability for **Damages**. All **Claims** arising from the same or related act, error or omission or **Personal Injury** shall be considered a single **Claim** for the purpose of this insurance and shall be subject to the same limit of liability.

The limit of liability stated on the Declarations Page as "aggregate" is, subject to the above provision respecting "each **Claim**", the total limit of the Company's liability under this policy for all **Damages**. There shall be a separate "aggregate" limit of liability applicable to all **Claims Expenses** incurred in the defense of **Claims** covered by this policy, subject to the above provision respecting the Company's liability for **Claims Expenses** for "each **Claim**".

C. The Company's liability for **Damages** and **Claims Expenses**, as applicable, resulting from "each **Claim**" is in excess of the deductible

amount stated on the Declarations Page. In the event that there is a separate aggregate limit of liability for **Claim Expenses** and for **Damages** and the deductible amount applies to **Claim Expenses** and **Damages**, the deductible amount applies once per each **Claim**. In the event that the deductible applies to **Damages** only, the Insured shall pay for **Damages** in the amount of the deductible for each **Claim**.

D. In the event the **Insured** participated in an **Alternative Dispute Resolution** to settle a **Claim** brought by a client of the firm, the Company will waive 50% of the **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. The purchase or application of any Extended Reporting Period Option shall not increase the limit of liability stated on the Declarations Page.

F. 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 any **Insured**, or to any person who controls, is controlled by or affiliated by common control with said **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.

SECTION IV -- POLICY PERIOD, TERRITORY

The insurance afforded by this policy applies to **Claims** which are first made and reported to the Company during the **Policy Period** as stated on the

Declarations Page provided the **Claim** is made or **Suit**, if any, is brought within the United States of America, its territories, possessions or Canada.

SECTION V -- WHEN TO REPORT A CLAIM

Written notice shall be given to the Company when the **Insured** first becomes aware of the following:

A. **A Claim** made against an **Insured**, a lawsuit, or any kind of legal proceeding involving a **Claim** which as been made against an **Insured**; or

B. Any event, circumstance, situation or transaction which could reasonably be expected to result in a **Claim** against an **Insured**; and shall immediately forward to the Company copies of all demand letters, legal pleadings and other information relative to A. and B. above.

SECTION VI -- SUPPLEMENTARY PAYMENTS

A. The Company will pay, in addition to the applicable limit of liability:

1. Up to \$250 for loss of earnings to each individual **Insured** for each day or part of a day of such **Insured's** attendance at the Company's request at a trial, hearing or arbitration proceeding involving a **Suit** against such **Insured** for covered **Damages**, but the amount so payable for any one or series of trials, hearings or arbitration proceedings arising out of the same act, error or omission or **Personal Injury** shall in no event exceed \$5,000; and

2. Up to \$2,500 per **Policy Period** to each **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 **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 an **Insured** covered under this policy.

B. The Company will pay, as part of the applicable limit of liability:

Up to \$100,000 to the **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 such **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.

C. DOES NOT APPLY.

D. The Company will pay, as part of the applicable limit of liability, up to \$100,000 per **Policy Period** for **Claims** based on or arising from:

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.

SECTION VII -- EXCLUSIONS

This insurance does not apply to **Claims:**

- A. 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 any **Insured**;
- B. Arising out of the insolvency or bankruptcy of any **Insured**;
- C. Based on or arising out of any disputes involving any **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. Made by an **Insured** against any other **Insured**, unless such **Claim** arises solely out of **Professional Services** performed for that party in an appraiser-client capacity;
- E. Based on or arising out of the tendering of or failure to render **Professional Services** by any **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.
- F. Arising out of:
 - 1. **Bodily Injury**, sickness, disease or death of any person; or
 - 2. Physical injury, damage to or destruction of or loss of use of tangible property.
- G. Based on or arising out of any obligations for which an **Insured** or any carrier acting as his insurer may be liable under any workers' compensation, unemployment compensation, disability or pension benefits law, or any similar laws, including but not limited to, the Employee Retirement Income Security Act of 1974, Public Law 93-406 (ERISA), or any of its amendments, or any other similar state or local law, or any non-qualified plan, while any **Insured** is acting as a fiduciary within the meaning of said laws.
- H. Based on or arising out of any 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 rules or regulations promulgated thereunder;
- I. Based on or arising out of activities involving property syndication, real estate investment trusts, limited partnerships or similar investments;
- J. 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;
- K. Based on or arising out of liability assumed by an **Insured** under any oral or written contract or agreement, including any warranty, except that this exclusion shall not apply to liability the **Insured** would have in the absence of such contract, agreement or warranty;
- L. Arising out of activities of an **Insured** as a mortgage banker, mortgage counselor, 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;
- M. Involving real property owned by any **Insured**.
- N. Resulting from:
 - 1. Injury, disease or illness (including death at any time resulting therefrom);
 - 2. Damage to or reduction in financial value of any property; or
 - 3. Other loss or expense arising in whole or in part, out of or in any way related to **Asbestos**;
- O. Arising out of **Personal Injury** based on publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the **Named Insured**;
- P. Based on or arising out of or alleging infringement of any copyright, title, slogan,

patent, trademark, trade name, trade dress, service mark or service name.

- Q. Arising out of any guarantee or promise of future status, performance or valuation in the course of performing **Professional Services** by the **Insured**;
- R. Arising out of the alleged notarized certification or acknowledgement by any **Insured** of a signature on any document that the **Insured** did not witness being placed on the document.
- S. Based upon or arising from 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 any **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** of **Suit** 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. Arising out of the gaining in fact of any personal profit or advantage to which the **Insured** is not legally entitled.
- U. Arising out of, based upon or attributable to **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.

SECTION VIII -- DEFINITIONS

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

Alternative Dispute Resolution means the use of mediation or non-binding arbitration proceedings in which the **Insured** participates with the consent of the Company.

Asbestos shall include but is not limited to: Asbestos or other mineral wools; Asbestos or mineral wool products, fibers, or dust; Asbestos or other mineral wools contained in products or materials.

Bodily Injury means bodily harm, sickness, disease, emotional distress or death that results to any person.

Claim means a demand for money, the filing of **Suit** or the institution of arbitration or mediation proceedings naming the **Insured** 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 VI.B.

Claims Expenses means:

- (a) 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**, **Suit** or proceeding arising in connection therewith, if incurred by the Company, or by an **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;
- (b) All costs taxed against an **Insured** in such **Suits**, 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 limit of the Company's liability;

- (c) Prejudgment interest which, when payable under this policy, will be in addition to the limits of liability stated on the Declarations Page; or
- (d) Premiums on appeal bonds and premiums on bonds to release attachments in such **Suits**, 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.

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 **Insured**, or that portion of any award or judgment caused by the trebling or multiplication of actual damages under federal or state law.

However, if a **Suit** is brought against an **Insured** with respect to a **Claim** for alleged acts, errors or omissions falling within the scope of coverage afforded by this policy, and such **Suit** 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**.

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.

Insured means any person or organization qualifying as an **Insured** under Section II. "**Persons Insured**" of this policy. The insurance afforded applies separately to each **Insured** against whom **Claim** is made or **Suit** is brought except with respect to the limit of the Company's liability.

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

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

Named Insured means the person or organization named in Item 1. of the Declarations Page.

Personal Injury means:

- (a) false arrest, detention or imprisonment, wrongful entry or eviction, other invasion of private occupancy, or malicious prosecution; or
- (b) 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.

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.

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.

Professional Services means services performed by an **Insured** in an **Insured's** capacity as an appraiser of real estate. It includes incidental services rendered by any **Insured** as a notary public, title agent or as a member of a formal accreditation committee, standards review committee or similar board or committee.

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

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.

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

SECTION IX -- AUTOMATIC EXTENDED REPORTING and EXTENDED REPORTING OPTIONS

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, 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 an **Insured** can give written notice to the Company of **Claims** first made against the **Insured** during this Automatic Extended Reporting Period for any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** which happen prior to the termination of the **Policy Period**, subject to its terms, limitations, exclusions and conditions.

B. Extended Reporting Period Option:

In the case of:

1. Cancellation or nonrenewal of this policy by the **Named Insured** or the Company for any reason other than flat cancellation by the Company effective at policy inception for nonpayment of premium; or
2. Advancing a prior acts date from that previously provided by the Company in a predecessor insurance policy,

the **Named Insured** shall have the right to extend the time during which **Claims** can be reported for an additional premium of:

- (a) 100% of the full annual premium for this policy, by a period of twelve (12) months, or
- (b) 135% of the full annual premium for this policy, by a period of twenty-four (24) months, or
- (c) 150% of the full annual premium for this policy, by a period of thirty-six (36) months

following the effective date of such cancellation or non-renewal in which to give written notice to the Company of **Claims** first made against the **Insured** during this Extended Reporting Period Option for any negligent act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** occurring prior to the termination of the final **Policy Period**, subject to its terms, limitations, exclusions and conditions. This right shall terminate, however, unless written notice of such 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 nonrenewal.

C. Retiree Extended Reporting Period Option

If the **Named Insured** is designated in Item 5. of the Declarations Page:

1. As an independent contractor and shall cancel or fail to renew this policy due to retirement of the **Named Insured** from active business; or
2. As a sole proprietorship and shall cancel or fail to renew this policy due to retirement of the **Named Insured** from active business; or
3. As a partnership, **Limited Liability Partnership**, or **Corporation** and shall cancel or fail to renew this policy due to dissolution of the partnership, or corporation,

Then the **Named Insured** shall have the right to have an endorsement issued extending the reporting period for this policy for an additional premium of 160% of the full annual premium for this policy, to an unlimited period following the effective date of such cancellation or non-renewal in which to give written notice to the Company of **Claims** first made against the **Insured** during this Extended Reporting Period Option for any act, error, omission or **Personal Injury** occurring prior to the termination of the final **Policy Period**, subject to its terms, limitations, exclusions and conditions. 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 **Insured** within sixty (60) days after the effective date of cancellation or non-renewal.

D. Termination of Any Extended Reporting Period Option

At the commencement of any Extended Reporting Period Option, the entire premium shall be deemed earned and the Company shall not be liable to return to the **Insured** any portion of the premium for any Extended Reporting Period Option.

The fact that the period during which **Claims** must be first made against the **Insured** under this policy is extended by virtue of any Extended Reporting Period Option shall not in any way increase the limit of liability of this policy. The limit of liability available under any Extended Reporting Period Option shall be part of, and not in addition to, the limit of liability available under the last policy issued to the **Named Insured**.

SECTION X -- 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. Assistance and Cooperation of Insured: Immediately upon any **Insured** becoming aware of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** which could reasonably be expected to be the basis of a **Claim**, written notice shall be given by the **Insured**, or its representatives, to the Company, together with the fullest information obtainable. If **Claim** is made or **Suit** is brought against any **Insured**, the **Insured** or its representatives shall immediately forward to the Company every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative.

All **Insureds** shall cooperate with the Company and, upon the Company's request, assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution or indemnity against any person, organization or other insurer which may be liable to the **Insured** or the Company for **Damages** or **Claim Expenses**. The **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. No **Insured** shall, except at the **Insured's** own cost, voluntarily make any payments, assume any obligation or incur any expense. The **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 potential **Claim**.

The **Insured** will consent 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 **Insured's** liability and any **Damages** awarded if **Suit** or any other proceeding is brought on the **Claim**.

C. Waiver of Exclusion and Breach of Conditions: Whenever coverage under any provision of this policy would be excluded, suspended or lost:

- (1) because of EXCLUSION A. relating to any judgment or final adjudication based upon or arising out of any dishonest, fraudulent, criminal or malicious act or omission or intentional misrepresentation committed by, at the direction of, or with the knowledge of any **Insured**; or
- (2) because of noncompliance with any condition relating to the giving of notice to the Company with respect to which any other **Insured** shall be in default solely because of the default or concealment of such default by one or more **Insureds** responsible for the loss or damage otherwise insured hereunder;

then the Company agrees that such insurance as would otherwise be afforded under this policy shall apply with respect to each and every **Insured** who did not personally commit or personally participate in committing or personally acquiesce in or remain passive after having personal knowledge of one or more of the acts or omissions described in any such exclusion or condition, provided that if the condition is one with which such **Insured** can comply, after receiving knowledge thereof, the **Insured** entitled to the benefit of this Condition, as a condition precedent, shall comply with such condition promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

With respect to Paragraph (a) above, the Company's obligation to pay in the event of such event shall be in excess of the deductible and in excess of the full extent of any assets of any **Insured** to whom the exclusion applies.

D. Assignment: This policy may not be assigned without first obtaining the written consent of the Company. No **Insured's** rights under this policy are assignable. If any **Insured** shall die or be adjudged incompetent, this insurance shall terminate for such person, but shall cover the **Insured's** legal representative with respect to liability previously incurred and covered by this insurance.

E. 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 Insured's obligation to pay shall have been finally determined, either by judgment against the Insured or by written settlement agreement between the 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 **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 Insured to determine the Insured's liability, nor shall the Company be impleaded by the 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 insurance.

F. 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.

G. Other Insurance:

If there is other valid insurance (whether primary, excess, contingent or self-insurance, including Extended Reporting Period coverage in the **Insureds** previous insurance) which may apply to a **Claim** covered by this policy, the insurance provided hereunder shall be deemed excess insurance over and above the applicable limit of all other insurance or self-insurance.

When this insurance is excess, the Company shall have no duty under this policy to defend any **Claim** or **Suit** that any other insurer or self-insurer has a duty to defend. If such other insurer or self-insurer refuses to defend such **Claim** or **Suit**, the Company shall be entitled to the **Insureds** rights against all other insurers or self-insurers for any **Claims Expenses** and **Damages** incurred by the Company.

If a loss occurs involving two or more policies, each of which provides that its insurance shall be excess, each will contribute pro rata.

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

I. 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 in the policy 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 such mailing.

If either the Named Insured or the Company cancels, earned premium shall be the pro rated amount of the annual premium. 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 as aforesaid shall be sufficient tender of any refund or premium due to the Named Insured, provided that if at the time of cancellation the policy limit for the indemnity period involved has been exhausted, the entire premium shall be considered earned.

J. 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.

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

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

M. Deductible: The **Insured's** obligation to pay the deductible amount as a result of any single **Claim** shall not exceed the amount stated on the Declarations Page as deductible for "each **Claim**". The Company's obligation to pay **Damages** and **Claims Expenses** on behalf of the **Insured** resulting from a **Claim** is in excess of the deductible amount stated as each **Claim**" on the Declarations Page. However, in the event that deductible only applies to **Damages**, the Company's obligation to pay **Claims Expenses** is not subject to the deductible being satisfied by the **Insured**.

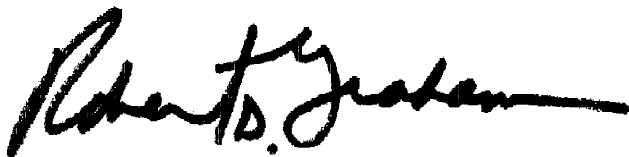
N. Declarations and Application: By acceptance of this policy, all **Insureds** agree that the statements in the application are the **Insureds'** agreements and representations, that they shall be deemed material, that this policy is issued in reliance upon the truth of such representations that this policy embodies all agreements existing between the **Insureds** and the Company or any of its agents relating to this insurance.

O. 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, all **Insureds** shall be jointly and severally liable to the Company for such amounts. Upon written demand, the **Insured** shall repay such amounts to the Company within thirty (30) days. Failure to pay any amount indicated may lead to policy termination.

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