

LEXINGTON INSURANCE COMPANY

WILMINGTON, DELAWARE

Administrative Offices – 100 Summer Street, Boston, Massachusetts 02110

Certificate Number: F067038758

This Certificate forms a part of Master Policy Number: 010007997

Renewal of Master Policy Number : 5130708

YOUR RISK PURCHASING GROUP MASTER POLICY IS A CLAIMS MADE POLICY.

READ THE ATTACHED MASTER POLICY CAREFULLY

THE AMERICAN ACADEMY OF STATE CERTIFIED APPRAISERS

CERTIFICATE DECLARATIONS

1. Name and Address of Certificate Holder: DeChant Appraisal & Realty Services, LLC

10210 Ruffian Lane
Berlin MD 21811

2. Certificate Period: Effective Date: 02/28/09 to Expiration Date: 02/28/10

12:01 a.m. Local Time at the Address of the Insured.

2a. Retroactive Date: 02/28/02

12:01 a.m. Local Time at the Address of the Insured.

3. Limit of Liability: \$ 500,000 each claim
\$ 500,000 aggregate limit

4. Deductible: \$ 5,000 each claim

5. Professional Covered Services insured by this policy are: REAL ESTATE APPRAISAL SERVICES

6. Advance Certificate Holder Premium: \$ 716

7. Minimum Earned Premium: 25% or \$ 179

Forms and Endorsements:

PRG 3150 10/05 Real Estate Appraisers Professional Liability Declarations, PRG 3149 10/05 Real Estate Appraisers Professional Liability Form, MPL022 12/02 Fungus Mold Exclusion, LX 9346 09/99 Employment-Related Practices Exclusion, 81227 11/02 Terrorism Exclusion, AASCARPGNS 08/03 Non Stacking Endorsement, PRG 3151 10/05 Disciplinary Proceedings Extension Endorsement

Agency Name and Address: INTERCORP, INC.
1438-F West Main Street
Ephrata, PA 17522-1345

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE CERTIFICATE HOLDER AGREES TO ALL TERMS AND CONDITIONS AS SET FORTH IN THE ATTACHED MASTER POLICY.

THIS POLICY IS ISSUED BY YOUR RISK PURCHASING GROUP. YOUR RISK PURCHASING GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK PURCHASING GROUP.



Authorized Representative OR
Countersignature (in states where applicable)

Date: February 23, 2009



02/23/09

DeChant Appraisal & Realty Services, LLC

10210 Ruffian Lane

Berlin

MD

21811

Fax #:

-

Re: Errors & Omissions for Real Estate Appraisers

Insurance Company: Lexington Insurance Company

Binder #: 53041

Certificate Period: 02/28/09 to 02/28/10

Certificate #: F067038758

This note is to confirm that the application on file for the above named insured shows the following appraisers listed:

Licensed

Michael P. DeChant Sr

Trainees

Appraisers Insured Elsewhere

Jimmy D. Moon

Carol B. Nikov

Diana Lynn Williams

A handwritten signature in black ink that reads "John J. Matternas". The signature is written in a cursive, flowing style with a large initial "J" and "M".

John J. Matternas

here

**Invoice****DATE:** 02/26/2009**UNDERWRITER:** MBH**ENTERED BY:** MBH**PRODUCER**

Pearl Insurance Group, LLC
1200 East Glen Avenue

Peoria Heights, IL 61616-5348

INSURED

DeChant Appraisal & Realty Services, LLC
10210 Ruffian Lane
Berlin, MD 21811-

Policy Number	Policy Effective	Policy Expiration	Customer Number	Invoice Date	Invoice No.
F067038758	02/28/2009	02/28/2010	2895	02/28/2009	031534

Company	Classification	Transaction	Description	Premium	Credit
AIRISK	Professional Liability	New Business	DeChant Appraisal & Realt Commission	\$716.00	\$53.70
InterCorp, Inc.	Risk Purchasing Group	Fees	RPG Fee	\$40.00	
Maryland Surplus Lines Ta	Surplus Lines Tax	Taxes	Surplus Lines Tax	\$21.48	

PAYMENT IS DUE BY 03/17/2009

Please Pay This Amount

\$723.78

Comments/Notices

Remit Payment To

InterCorp, Inc.
1438-F West Main St.
Ephrata, PA 17522-1345

Voice: (717) 721-3500

Fax: (717) 721-3515

LEXINGTON INSURANCE COMPANY

WILMINGTON, DELAWARE

Administrative Offices - 100 Summer Street, Boston, Massachusetts 02110

REAL ESTATE APPRAISERS PROFESSIONAL LIABILITY INSURANCE DECLARATIONS

THIS IS A CLAIMS MADE AND REPORTED POLICY. PLEASE READ IT CAREFULLY

Policy Number: 010007997

Renewal of: 5130708

Item 1. Named Insured: American Academy of State Certified Appraisers
Risk Purchasing Group

Address: 1090 Vermont Ave., N.W.
WASHINGTON, DC 20005

Item 2. Policy Period:

From: 08/01/08 **To:** 08/01/09

At 12:01 A.M. standard time at the address of the Named Insured stated above.

Item 3. Limits of Liability: a. see individual certificates **Each Claim**
b. see individual certificates **Aggregate**

Item 4. Deductible: a. see individual certificates **Each Claim**
b. see individual certificates **Aggregate**

Item 5. Premium Amount a. see individual certificates **Annual Premium**
b. see individual certificates **Minimum Earned Premium**

(It is a condition of this policy, notwithstanding anything in it to the contrary, that if this policy is cancelled by the Named Insured, the Minimum Earned Premium shall be 25 % of the Annual Premium).

Item 6. Professional Covered Services: see individual certificates

Item 7. Retroactive Date: see individual certificates

Item 8. Forms and Endorsements Attached on Inception:

PRG 3150 10/05 Real Estate Appraisers Professional Liability Declarations, PRG 3149 Real Estate Appraisers Professional Liability Form, MPL022 12/02 Fungus Mold Exclusion, LX 9346 09/99 Employment-Related Practices Exclusion, 81227 11/02 Terrorism Exclusion, AASCARPGNS 08/03 Non Stacking Endorsement, PRG 3151 10/05 Disciplinary Proceedings Extension Endorsement

By acceptance of this policy the Insured agrees that the statements in the Declarations and the Application and any supplements attached hereto are the Insured's representations and that this policy is issued in reliance on them and embodies all agreements between the Insured and the Company or any of its representatives relating to this insurance.

Producer: INTERCORP, INC.
1438-F West Main Street
Ephrata, PA 17522-1345

Authorized Representative OR
Countersignature (in states where applicable)

LEXINGTON INSURANCE COMPANY
100 Summer Street
Boston, Massachusetts 02110

REAL ESTATE APPRAISERS PROFESSIONAL LIABILITY COVERAGE FORM
MASTER POLICY

NOTICE: THIS INSURANCE IS WRITTEN ON A CLAIMS MADE AND REPORTED BASIS AND ONLY APPLIES TO CLAIMS FIRST MADE AGAINST THE CERTIFICATE HOLDER DURING THE CERTIFICATE PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST THE CERTIFICATE HOLDER AFTER THE END OF THE CERTIFICATE PERIOD UNLESS, AND TO THE EXTENT, A BASIC OR EXTENDED REPORTING PERIOD APPLIES.

NOTICE: DEFENSE EXPENSES ARE INCLUDED WITHIN AND REDUCE THE APPLICABLE LIMIT OF LIABILITY STATED IN THE CERTIFICATE. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Words and phrases that appear in boldfaced type have special meaning. Please see Section II.
DEFINITIONS.

Subject to the applicable limits of liability and all of the terms and conditions of this policy and the applicable Certificate, Lexington Insurance Company (hereinafter, the Company), the **Named Insured**, and each **Certificate Holder** agree as follows:

I. INSURING AGREEMENT.

The Company will pay those sums that the **Certificate Holder** becomes legally obligated to pay as **Damages** because of a **Claim** first made against the **Certificate Holder** and reported in writing to the Company during the **Certificate Period**, or to the extent applicable, the Basic or Extended Reporting Period. Such **Damages** must arise out of the actual or alleged **Wrongful Act** first committed on or after the **Retroactive Date** stated in Item 2.a. of the Certificate Declarations and prior to the end of the **Certificate Period** and in the course of the **Certificate Holder's** rendering or failing to render **Professional Covered Services** for others.

The Company will have the right and duty to defend any **Claim** made against the **Certificate Holder** seeking **Damages** to which this insurance applies, even if any of the allegations of the **Claim** are groundless, false or fraudulent. The Company may also make such investigation and settlement of any **Claim** it deems appropriate.

Defense Expenses are included within and reduce the applicable limit of liability stated in the Certificate. The Company will not be obligated to pay **Damages** or **Defense Expenses** or to defend or continue to defend any suit after the applicable Limit of Liability of the Company has been exhausted by payment of **Damages** or **Defense Expenses**, or both.

The Company will pay reasonable expenses incurred by the **Certificate Holder** at the Company's request to assist in the investigation of the **Claim** or defense of the suit, including actual loss of earnings up to \$100 a day for each **Certificate Holder** because of time off from work, subject to a limit of \$1,000 for each individual **Certificate Holder** for each **Claim**.

II. DEFINITIONS.

- A. **Advertisement** means the broadcasting or publishing of any information about your goods, products, or services by any means including, but not limited to, television, radio, the Internet, or in print;

B. **Bodily Injury** means bodily injury, sickness or disease sustained by a person, including death, resulting from any of these at any time. **Bodily Injury** includes mental anguish and emotional distress.

C. **Certificate Holder** means:

- (1) the **Named Certificate Holder** shown in Item 1. of the Certificate Declarations; and
- (2) any person who was, is now, or hereafter becomes a partner, officer, director, member, manager, or employee of the **Named Certificate Holder**, but only while acting on behalf of the **Named Certificate Holder** and within the scope of their duties as such; and
- (3) Any subcontracted, temporary or leased personnel or retired personnel of the **Named Certificate Holder**, but only while acting under the direct supervision of and exclusively on behalf of the **Named Certificate Holder**, and in the course of the **Named Certificate Holder's** business; and
- (4) the estate, heirs, executors, administrators, and legal representatives of any **Certificate Holder** in the event of such **Certificate Holder's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Certificate Holder** would otherwise be provided coverage under this policy; and
- (5) any organization the **Named Certificate Holder** newly acquires or forms is a **Certificate Holder** under the applicable Certificate, but only if, as and when the Company provides the **Named Certificate Holder** written acceptance. This provision applies to any partner, officer, director, member, manager or employee of such newly acquired or formed organization, subject to the above described written acceptance in the form of an endorsement issued by the Company to form a part of the Certificate.

D. **Certificate Period** means the period of time shown in Item 2. of the Certificate Declarations from the effective date to the expiration date or earlier termination date, whichever is applicable. The **Certificate Period** will not exceed a year.

E. **Claim** means a written notice received by a **Certificate Holder** from a person or entity advising that it is the intention of that person or entity to hold the **Certificate Holder** liable for **Damages** for a **Wrongful Act** covered under this policy. **Claim** includes, but is not limited to, a written demand received by a **Certificate Holder** for money or services, the service of suit or institution of arbitration proceedings, or a written request received by a **Certificate Holder** for a tolling agreement with respect to statutes of limitation or for other extensions to allow filing or maintenance of **Claims** against the **Certificate Holder**.

Except as otherwise provided in SECTION V - **CONDITIONS**, Paragraph B, **Notice of Claim**, a **Claim** as described in the preceding paragraph, shall be deemed to have been made on either the date that a complaint or similar document is served on the **Certificate Holder** or on the date a **Certificate Holder** receives a demand, written notice or written request.

F. **Damages** mean judgments or settlements negotiated with the approval of the Company; however, **Damages** shall not include:

- (1) fines, taxes, or penalties; or
- (2) punitive or exemplary damages or the multiplied portion of any multiplied damage award.

- G. **Defense Expenses** means reasonable expenses and legal fees incurred with the approval of the Company in the investigation, adjustment, defense or appeal of a **Claim** against the **Certificate Holder**; however, **Defense Expenses** shall not include salaries, overhead or benefit expenses or other fees and charges of the **Certificate Holder**.
- H. **Named Certificate Holder** means the person or professional corporation shown in Item 1. of the Certificate Declarations.
- I. **Named Insured** means the Risk Purchasing Group shown in Item 1. of the Declarations.
- J. **Personal and Advertising Injury** means injury arising out of one or more of the following offenses:
- (1) false arrest, detention or imprisonment; or
 - (2) malicious prosecution; or
 - (3) the wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy, of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor; or
 - (4) oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - (5) oral or written publication of material that violates a person's right of privacy;
 - (6) the use of another's advertising idea in the **Certificate Holder's Advertisement**; or
 - (7) infringing on another's copyright, trade dress, or slogan in the **Certificate Holder's Advertisement**.
- K. **Policy Period** means the means the period of time shown in Item 2. of the Declarations from the effective date to the expiration date or earlier termination date, whichever is applicable.
- L. **Property Damage** means:
- (1) physical injury to tangible property, including all resulting loss of use of that property; or
 - (2) loss of use of tangible property that is not physically injured.
- M. **Professional Covered Services** means only those services performed for others for a fee and which are listed in Item 5. of the Certificate Declarations.
- N. **Related Claims** means collectively all **Claims** involving the same **Wrongful Act** or **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, event or decision.
- O. **Retroactive Date** means the date, if specified in Item 2.a. of the Certificate Declarations or in any endorsement attached hereto, on or after which any **Wrongful Act** must have occurred in order for **Claims** arising therefrom to be covered under this policy. **Claims** arising from any **Wrongful Act** occurring prior to this date are not covered by this policy.
- P. **Wrongful Act** means any actual or alleged act, error, omission committed solely in the performance of, or failure to perform, **Professional Covered Services**.

III. EXCLUSIONS

This Policy shall not apply to any **Claim**:

- A. arising out of the appraisal of property in which any **Certificate Holder** has or had a direct, indirect or contemplated interest;
- B. brought by or on behalf of any entity or organization in which any **Certificate Holder** has or had a direct, indirect or contemplated interest;
- C. for any appraisal in which any **Certificate Holder's** compensation is determined by the valuation of the property appraised;
- D. alleging unlawful restraint of trade, antitrust or unfair business practices or unfair competition, price fixing, fee splitting, kickbacks, illegal rebates, or injunctive relief relating to same, under any federal or state law, statute, rule or regulation;
- E. for **Personal and Advertising Injury** including any **Claim** caused by, arising out of, or resulting, in whole or in part, from any statements or misstatements contained in or provided by the **Certificate Holder's Advertisement**;
- F. arising from appraisals of any type other than appraisals of real property;
- G. arising out of the insolvency or bankruptcy of the **Certificate Holder**;
- H. arising out of any representations or warranties implied or otherwise made by the **Certificate Holder** pertaining to the future value of the real or personal property;
- I. arising out of a **Certificate Holder** gaining in fact any personal profit or advantage to which the Insured is not legally entitled;
- J. alleging liability or other legal responsibility including, but not limited to, the diminution of value of the property being appraised, arising from the **Certificate Holder's** or any other person's failure to detect, whether in whole or in part, and whether directly or indirectly, asbestos or lead including asbestos or lead contained in any material product or the failure of the **Certificate Holder** to notify or report the presence of asbestos or lead. This exclusion includes, but is not limited to, abatement, mitigation, removal or dispersal of any material or product containing asbestos or lead;
- K. based on or directly or indirectly arising out of or resulting from any criminal, fraudulent, dishonest or discriminatory act or omission or any act, error or omission committed with knowledge of its wrongful nature or with intent to cause damage, or the gaining, by the **Certificate Holder** of any personal profit, gain or advantage to which the **Certificate Holder** was not legally entitled; however, the Company shall reimburse the **Certificate Holder** for any **Defense Expenses** that would have been payable under this policy if, upon final disposition of such **Claim**, such allegations have not been proven;
- L. based upon or arising out of any alleged act, error, omission or circumstance likely to give rise to a **Claim** that a **Certificate Holder** had knowledge of prior to the effective date of the **Certificate Period**. This exclusion includes, but is not limited to any prior **Claim** or possible **Claim** referenced in the **Certificate Holder's** application;
- M. based upon or arising out of the actual or alleged theft, stealing, conversion, commingling, embezzlement, or misappropriation by any person of any kind of monies, funds, negotiable instruments, securities, property of any kind, or assets of any kind;

- N. for **Bodily Injury**;
- O. for any injury to or destruction of any tangible property, or loss of use resulting therefrom;
- P. arising out of:
- (1) the promotion, sale or solicitation for sale of securities, real estate or other investments by any **Certificate Holder**; or
 - (2) recommendations, representations, or opinions concerning specific investment advice by any **Certificate Holder** or any person or organization referred to by any **Certificate Holder** in connection with portfolio or trust account management or the performance or non-performance of securities, real estate, or other investments;
- Q. by or on behalf of any person or entity included within the definition of **Certificate Holder** against any other person or entity included within the definition of **Certificate Holder**;
- R. by or against or in connection with any entity other than the **Named Certificate Holder** in which a **Certificate Holder** or any member of the immediate family of a **Certificate Holder** has an ownership interest or control whether such ownership interest or control is financial or otherwise;
- S. arising out of the **Certificate Holder's** service and/or capacity as:
- (1) an officer, director, partner, trustee, principal, stockholder, or employee of any entity other than the **Named Certificate Holder**; or
 - (2) a fiduciary under the Employee Retirement Income Security Act of 1974 as amended or any regulation or order issued pursuant thereto; or
 - (3) a public official or employee of a governmental body, subdivision or agency;
- T. arising out of infringement of patent, copyright or trademark;
- U. for the liability of others assumed by the **Certificate Holder** under an oral or written contract or agreement, unless such liability would have been attached to the **Certificate Holder** even in the absence of such agreement;
- V. based upon the **Certificate Holder's** failure to procure or maintain adequate insurance or bonds; any claim arising out of the **Certificate Holder's** failure to comply with any law with respect to the **Certificate Holder's** employees concerning Workers' Compensation, Employment Insurance, Social Security or Disability Benefits or any similar law;
- W. arising from the breach of any oral or written express warranty;
- X. arising out of disputed fees or other amounts charged for the **Certificate Holder's Professional Covered Services**;
- Y. arising from any loss of business operating income, or business loss of gross or net income, that is not attributable solely to a **Wrongful Act** committed by a **Certificate Holder**;
- Z. seeking non-pecuniary relief;

AA. based upon or arising out of:

- (1) the actual, alleged or threatened presence, discharge, dispersal, seepage, migration, release or escape of **Pollutants** or asbestos; or
- (2) the failure to discover or disclose the existence or amount of **Pollutants** or asbestos; or
- (3) any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with A. or B. above; or
- (4) any request, demand or order that any **Certificate Holder** 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 asbestos; or
- (5) any **Claim** or 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** or asbestos; or
- (6) the manufacture, mining, use, sale, installation, removal, distribution, or exposure to asbestos, asbestos products, asbestos fibers, or asbestos dust.

For the purpose of this exclusion, **Pollutant** means any solid, liquid, gaseous, radioactive or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed;

BB. arising out of the failure to discover or disclose the presence or existence of a Nuclear Facility, **Nuclear Material, Spent Fuel or Nuclear Waste**;

For the purpose of this exclusion, the following terms are defined as follows:

- (1) **Nuclear Material** means **Source Material, Special Nuclear Material or By-Product Material**.
- (2) **Source Material, Special Nuclear Material and By-Product Material** have the meanings given to them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- (3) **Spent Fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **Nuclear Reactor**.
- (4) **Nuclear Waste** means any waste material 1) containing **By-Product Material** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **Source Material** content, and 2) resulting from the operation by any person or organization of any **Nuclear Facility** included under the first two paragraphs of the definition of **Nuclear Facility**.
- (5) **Nuclear Facility** means:
 - a. any **Nuclear Reactor**; or
 - b. any equipment or device designed or used for the 1) separating the

isotopes of uranium or plutonium, 2) processing or utilizing **Spent Fuel**, or 3) handling, processing or packaging waste; or

- c. any equipment or device used for the processing, fabricating or alloying of **Special Nuclear Material** if at any time the total amount of such material in the custody of the **Certificate Holder** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of 235; or
- d. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **Nuclear Waste**, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises use for such operations;

(6) **Nuclear Reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

CC. arising out of any liability, obligation of the **Certificate Holder** to indemnify, or any obligation to defend any suit or claim against the **Certificate Holder**, for **Property Damage, Bodily Injury**, sickness, disease, occupational disease, disability, shock, death, mental anguish, or mental injury at any time arising out of the manufacture, mining, use, sale, installation, removal, distribution, or exposure to asbestos, asbestos products, asbestos fibers, or asbestos dust.

IV. **WAIVER OF EXCLUSIONS AND CONDITIONS**

Whenever coverage under any provision of this Policy would be excluded, suspended or lost:

- A. because of any exclusion relating to dishonest, criminal, fraudulent, malicious or intentional **Wrongful Acts** or omissions by a **Certificate Holder** and with respect to which any other **Certificate Holder** did not personally participate or personally acquiesce or remain passive after having personal knowledge thereof; or
- B. because of non-compliance with any condition relating to giving of notice to the Company with respect to which any other **Certificate Holder** shall be in default, solely because of the default or concealment of the default by any other **Certificate Holder** responsible for the loss or damage otherwise **Certificate Holder** hereunder;

The Company agrees that such Insurance as would otherwise be afforded under this policy shall continue in effect with respect to each and every **Certificate Holder** who did not personally commit or personally acquiesce in or remain passive after having personal knowledge of one or more acts or omissions described in any such exclusion or condition; provided that if the condition be one with which such **Certificate Holder** can comply, after receiving knowledge thereof, the **Certificate Holder** entitled to the benefit of this Waiver of Exclusions and Conditions shall comply with such condition promptly after obtaining knowledge of the failure of any other **Certificate Holder** or employee to comply therewith.

V. **CONDITIONS.**

A. **Territory.**

This policy applies only to **Wrongful Acts** committed, and to **Claims** made against the **Certificate Holder**, in the United States of America, its territories or possessions, or

Canada.

B. Notice of Claim.

- (1) As a condition precedent to any right to coverage afforded by this policy, the **Certificate Holder** must give written notice to the Company of any **Claim** as soon as practicable after such **Claim** is first made during the **Certificate Period** or 30 day Basic Reporting Period or the Extended Reporting Period (if applicable), and as otherwise required by this policy, to:

Attention: Claims Manager
Lexington Insurance Company
100 Summer Street
Boston, Massachusetts 02110

- (2) If the **Certificate Holder** becomes aware of any circumstance which may subsequently give rise to a **Claim** against the **Certificate Holder** and, during the **Certificate Period** or, if applicable, the Basic Reporting Period or the Extended reporting Period, gives the Company written notice of:

- a. the nature and date of the specific **Wrongful Act**;
- b. the names of potential claimants;
- c. the injury or consequences which have or might result therefrom; and
- d. the manner in which the **Certificate Holder** first became aware of the potential for a **Claim** therefrom, then any **Claim** subsequently made against the **Certificate Holder** arising out of such **Wrongful Act** shall be deemed to have been made during the **Certificate Period** or, if applicable, the Basic Reporting Period or the Extended Reporting Period.

C. Date of Related Claims.

Related Claims shall be deemed to have been first made at the earliest of the following times:

- (1) at the time the earliest of the **Related Claims** was first made; or
- (2) at the earliest time at which notice was given under any policy of insurance of any act, error, omission, fact, circumstance, situation, transaction, event, or decision underlying any of the **Related Claims**.

D. Defense & Settlement of Claims.

The **Certificate Holder** shall not admit any liability for or settle any **Claim** or incur any costs, charges or expenses without the written consent of the Company. The Company shall have the right to make investigations and conduct negotiations and, with written consent of the **Certificate Holder**, enter into such settlement of any **Claim** that the Company deems appropriate. If the **Certificate Holder** shall refuse to consent to a settlement acceptable to the claimant in accordance with the Company's recommendation, the **Certificate Holder** shall thereafter negotiate or defend such **Claim** at the **Certificate Holder's** own expense independently of the Company, and, subject to the applicable Limits of Liability of the applicable Certificate, the Company's liability for such **Claim** shall not exceed the amount for which such **Claim** could have been settled

plus **Defense Expenses** incurred with the Company's consent up to the date the **Certificate Holder** refused to settle such **Claim**.

E. Limits of Liability and Deductibles.

- (1) Regardless of the number of **Claims**, the number of persons or entities included within the definition of **Certificate Holder**, or the number of claimants who make **Claim** against the **Certificate Holder**, the following Limits of Liability apply to each Certificate issued:
 - a. the amount stated in Item 3. of the Certificate Declarations as the each claim limit shall be the maximum Limit of Liability of the Company for all **Damages and Defense Expenses** resulting from each **Claim** or **Related Claims** made against the **Certificate Holder** under the applicable Certificate, which amount shall be part of and not in addition to the amount stated in Item 3., of the Certificate Declarations as the aggregate limit;
 - b. the amount stated in Item 3. of the Certificate Declarations as the aggregate limit shall be the maximum aggregate Limit of Liability of the Company for all **Damages and Defense Expenses** resulting from all **Claims** under the applicable Certificate;
 - c. the deductible stated in Item 4 of the Certificate Declarations shall apply separately to each **Claim** or **Related Claims** under the Certificate. The deductible shall be reduced by the **Certificate Holder's** payment of either **Damages** or **Defense Expenses**, or both.
- (2) **Defense Expenses** shall be part of and not in addition to the applicable Limits of Liability, and payment of **Defense Expenses** by the Company shall reduce, and may exhaust, the applicable Limits of Liability.
- (3) The obligations of the Company to pay **Damages** and to defend any **Claim** seeking **Damages** from the **Certificate Holder** or pay **Defense Expenses** shall be in excess of the deductible, which amount shall be borne by the **Certificate Holder** at the **Certificate Holder's** own expense. The Company shall have no obligation whatsoever, either to the **Certificate Holder** or to any other person, or entity, to pay all or any portion of the deductible amount on behalf of the **Certificate Holder**. The Company shall, however, at its sole discretion, have the right and option to do so, in which event the **Certificate Holder** will repay the **Company** any amounts so paid.
- (4) The Company shall not be obligated to pay any **Damages** or to defend or continue to defend any **Claim** after the applicable Limit of Liability has been exhausted by the payment of **Damages** or **Defense Expenses**, or both.

F. Basic Reporting Period.

- (1) If any Certificate is not renewed for any reason or is cancelled for any reason other than non-payment of premium or deductible, a Basic Reporting Period is automatically provided without additional charge. Coverage is extended to include **Claims** arising out of a **Wrongful Act** which occurred prior to the end of the effective date of such cancellation or nonrenewal and not before the **Retroactive Date**; and are otherwise covered by this policy, provided the **Claim** is first made against the **Certificate Holder** during the **Certificate Period** and reported to the Company within 30 days after the end of the effective date of

such cancellation or nonrenewal.

- (2) The Limits of Liability shall not be increased or reinstated as a result of the Basic Reporting Period.

G. Extended Reporting Period Endorsement Option

If the **Named Certificate Holder** or the Company cancels or refuses to renew the applicable Certificate, the **Named Certificate Holder** may purchase an Extended Reporting Period Endorsement. This option applies only to those **Claims** first made against the **Certificate Holder** and reported to the Company during this extended reporting period. Coverage is extended to include **Claims** arising out of a **Wrongful Act** which occurred prior to the end of the effective date of such cancellation or nonrenewal and not before the **Retroactive Date**; and which are otherwise covered by this policy.

If the **Named Certificate Holder** wishes to purchase the Extended Reporting Period Endorsement, the following conditions must be met:

- (1) the applicable Certificate was cancelled or nonrenewed for reasons other than non-payment of premium or deductible or the failure to cooperate with the Company;
- (2) the **Named Certificate Holder** must send written notice of the intention to purchase the option accompanied by the additional premium required. This written notice and premium payment must be received by the Company within thirty (30) days of the end of the **Certificate Period**.
- (3) the appropriate additional premium and corresponding extended reporting period shall be:
 - a. for 185% of the **Named Certificate Holder's** Advance Certificate Holder Premium shown in Item 6. of the Certificate Declarations, a 3 year extending reporting period;
 - b. for 150% of the **Named Certificate Holder's** Advance Certificate Holder Premium shown in Item 6. of the Certificate Declarations, a 2 year extending reporting period;
 - c. for 100% of the **Named Certificate Holder's** Advance Certificate Holder Premium shown in Item 6. of the Certificate Declarations, a 1 year extending reporting period;

The Limits of Liability shall not be increased or reinstated as a result of the **Certificate Holder** purchasing this Extended Reporting Period. The premium for the Extended Reporting Period will be deemed fully earned and cannot be cancelled by either the Company or the **Certificate Holder**.

H. Other Insurance.

Each Certificate shall be specifically excess over, and shall not contribute with, any other valid and collectible insurance, whether such other insurance is stated to be primary, contributing, excess (except insurance specifically in excess of a specific Certificate), contingent or otherwise.

I. Cooperation and Subrogation.

- (1) In the event of a **Claim**, or after giving the Company notice of circumstances which may subsequently give rise to a **Claim**, the **Certificate Holder** will provide the Company with all information, assistance and cooperation as the Company may reasonably request. The **Certificate Holder** shall, upon the Company's request, assist in making settlements and the conduct of actions, suits or proceedings. The **Certificate Holder** shall attend hearings, trials and depositions and shall assist in securing and giving evidence and obtaining the attendance of witnesses.
- (2) The **Certificate Holder** will do nothing that may prejudice the Company's position or the Company's potential or actual rights of recovery in the event of **Claim**.
- (3) In the event of payment under this policy, the Company shall be subrogated to, and entitled to an assignment of all rights of recovery therefore of the **Certificate Holder**. The **Certificate Holder** shall execute all papers and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the Company effectively to pursue and enforce such rights and to bring suit in the name of the **Certificate Holder**.

J. Cancellation of Single Certificates.

- (1) The Company may cancel a Certificate by delivering or mailing to the **Certificate Holder** by registered, certified or other first class mail written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective.
- (2) The **Named Certificate Holder** may cancel a Certificate by surrendering its Certificate or by mailing or delivering to the Company written notice stating when thereafter such cancellation shall be effective.
- (3) The mailing of notice as aforesaid shall be sufficient proof of notice. If a Certificate is cancelled by the Company, the earned premium shall be computed on a pro rata basis. If a Certificate is cancelled at the **Named Certificate Holder's** written request, the earned premium shall be computed at 90% of the pro rata amount subject to the Minimum Earned Premium shown in Item 7. of the Certificate Declarations. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- (4) In the event that the Company cancels a Certificate due to non-payment of the Advance Certificate Holder Premium set forth in Item 6. of the Certificate Declarations, the Company may cancel such Certificate by delivering or mailing to the **Named Certificate Holder** by registered, certified or other first class mail written notice stating when, not less than ten (10) days thereafter, such cancellation shall be effective.
- (5) The cancellation of any Certificate shall have no effect on any other Certificate currently in force.

K. Cancellation of Master Policy.

- (1) The Company may cancel this Master Policy by delivering or mailing to the

Named Insured by registered, certified or other first class mail written notice stating when, not less than ninety (90) days thereafter, such cancellation shall be effective.

- (2) The **Named Insured** may cancel this Master Policy by surrendering this Master Policy or by mailing or delivering to the Company written notice stating when thereafter such cancellation shall be effective.
- (3) The mailing of notice as aforesaid shall be sufficient proof of notice.
- (4) Cancellation of the Master Policy shall have no effect upon the Certificates issued prior to the effective date of cancellation. Such Certificates shall remain in force until their expiration date or earlier cancellation date in accordance with Paragraph J. of Section V., CONDITIONS.
- (5) Notwithstanding the cancellation of the Master Policy, the terms and conditions of this Master Policy shall apply to the Certificates issued during the time the Master Policy was in effect.
- (6) No Certificates can be issued after the effective date of cancellation of the Master Policy.

L. Certificate Period Requirement.

As a condition precedent to coverage under a specific Certificate, the effective date of **Certificate Period** of such Certificate must be within the **Policy Period** of this policy.

M. Entire Agreement.

The **Certificate Holder** agrees that this Master Policy, including any endorsements, the applicable Certificate, and the **Certificate Holder's** application forming part of this policy, and including any materials submitted in connection with such application, which are on file with the Company and are a part of this policy, as if physically attached, constitutes an agreement existing between the **Certificate Holder** and the Company relating to this insurance.

N. Representations.

The **Certificate Holder** represents that the particulars and statements contained in its application and all materials submitted in connection therewith are true, accurate and complete, and agrees that its Certificate and the Master Policy with respect to the **Certificate Holder** is issued in reliance on the truth of that representation, and that such particulars and statements, which are incorporated into and constitute a part of this policy, are the basis of this policy and are material to the Company's acceptance of this risk.

O. No Action Against Company; Bankruptcy of Certificate Holder.

- (1) No action shall be taken against the Company unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy and the amount of the obligation of the **Certificate Holder** to pay shall have been finally determined either by judgment against the **Certificate Holder** after adjudicatory proceedings, or by written agreement of the **Certificate Holder**, the claimant and the Company.
- (2) No person or entity shall have any right under this policy to join the Company as

a party to any **Claim** against the **Certificate Holder** to determine the liability of the **Certificate Holder**, nor shall the Company be impleaded by the **Certificate Holder** or the **Certificate Holder's** legal representative in any such **Claim**.

- (3) Bankruptcy or insolvency of the **Certificate Holder** or the **Certificate Holder's** estate shall not relieve the Company of any of its obligations hereunder.

P. Authorization and Notices.

With respect to each individual Certificate, the person or entity stated in Item 1. of the Certificate Declarations shall be the sole agent, and shall act on behalf of all **Certificate Holders** with respect to all matters under its Certificate, including, but not limited to, giving and receiving notices and other communications, or the cancellation of its Certificate, the payment of premium and the receipt of any return premiums, and the purchase of any Extended Reporting Period Endorsement.

Q. Changes.

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

R. No Transfer or Assignment of Certificate Holder's Interest.

No transfer or assignment of interest under any Certificate or any cause of action against the Company arising out of its performance of, or alleged failure to perform in accordance with the terms and conditions of this policy or any Certificate shall be effective without the Company's written consent; however, in the event of the death, incapacity or bankruptcy of any person or entity within the definition of **Certificate Holder**, a **Claim** against the estate, heirs, legal representatives or assigns or the **Certificate Holder** for a **Wrongful Act** by such **Certificate Holder** shall be considered a **Claim** against the **Certificate Holder**.

S. Service of Suit.

In the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the **Certificate Holder**, will submit to the jurisdiction of a court of competent jurisdiction within in the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in court of competent jurisdiction in the United States to remove an action to a United States District court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts 02110 or his or her representative, and that in any suit instituted against the Company upon this policy or any Certificate, the Company will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **Certificate Holder** or any beneficiary hereunder arising out of this policy or any Certificate, and hereby designated the above named Counsel as the person to whom the said office is authorized to mail such process of a true copy thereof.

T. **Headings.**

The descriptions in the headings and sub-headings of this policy are solely for convenience, and form no part of the terms and conditions of this policy.

In Witness Whereof, the Company has caused this policy to be executed by its authorized officers, but this policy shall not be valid unless countersigned on the Declarations page by a duly authorized representative of the Company.

Elizabeth M. Tuck

Secretary

L. H. Tully

President

Fungus Mold Exclusion

This insurance does not apply to any claim, loss, suit, injury, damage, cost or expense, including , but not limited to, losses, cost or expenses related to, arising from associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

- A. Any "fungus(I), mold(s), mildew or yeast, or
- B. Any "spore(s)" or toxins created or produced by or emanating from such fungus(I), mold(s), mildew or yeast, or
- C. Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any "fungus(I)", "mold(s)", mildew or yeast, or
- 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 to that loss, injury, damage, cost or expense.

For the purposes of this exclusion, the following definitions are added to the Policy:

"Fungus(I)" includes, but is not limited to, any plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including molds, rusts, mildews, smuts and mushrooms.

"Mold(s)" includes, but not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produced molds.

"Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "fungus(I), "mold(s)", mildew, plants, organisms or microorganisms.

All other terms and conditions of the policy remains unchanged

Authorized Representative OR
Countersignature (in states where applicable)

EMPLOYMENT-RELATED PRACTICES EXCLUSION

In consideration of the premium charged, it is understood and agreed that the Insurer shall have no obligation to defend or indemnify with respect to any claim alleging or asserting in any respect loss, injury, or damage (including consequential bodily injury) in connection with Wrongful Termination of the Insured's employees and/or Discrimination involving Insured's employee's and/or Sexual Harassment of the Insured's employees.

The following definitions apply to the following:

Wrongful Termination means termination of an employment relationship in a manner which is against the law and wrongful or in breach of an implied agreement to continue employment.

Discrimination means termination of an employment relationship or a demotion or a failure or refusal to hire or promote any individual because of race, color, religion, age, sex, disability, pregnancy or national origin.

Sexual Harassment means unwelcome sexual advances and/or requests for sexual favors and/or verbal or physical conduct of a sexual nature that (1) are made a condition of employment and/or (2) are used as a basis for employment decisions and/or (3) create a work environment that interferes with performance.

All other terms and conditions of the policy remains unchanged

Authorized Representative OR
Countersignature (in states where applicable)

THIS ENDORSEMENT CHANGES THE POLICY. Please read it carefully

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

This insurance does not apply to loss arising directly or indirectly as a result of a certified "act of terrorism" as defined by Section 102. Definitions., of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments.

The following Section 102 definition of "act of terrorism" from the Terrorism Risk Insurance Act of 2002 applies:

(1) Act of Terrorism –

(A) Certification - The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States, in concurrence with the Secretary of State, and the Attorney General of the United States -

- (i) to be an act of terrorism;
- (ii) to be a violent act or an act that is dangerous to -
 - (I) human life;
 - (II) property; or
 - (III) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
 - (I) an air carrier or vessel described in paragraph (5)(B); [for the convenience of this endorsement, paragraph (5)(B) reads: occurs to an air carrier (as defined in Section 40102 of title 49, United States Code) to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission];
 - (II) the premises of a United States mission; and
- (iv) to have been 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.

(B) Limitation - No act shall be certified by the Secretary as an act of terrorism if –

- (i) the act is committed as part of the course of a war declared by congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
- (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$ 5,000,000.

(C) Determinations Final. - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.

(D) Nondelegation. - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

All other terms and conditions of the policy remains unchanged

Authorized Representative OR
Countersignature (in states where applicable)

This Endorsement amends the policy. Please read it carefully.

NON STACKING ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that if two or more policies of Insurance issued by the Company or any other member company of American International Group ("AIG") apply to the same claim for which the Insured is liable, the Company shall not be liable under this policy for a greater proportion of damages, Defense Costs, Charges and Expenses than the Company's liability under this policy bears to the total liability of the AIG member companies under all applicable and collectible insurance issued by the AIG member companies; in addition, the maximum amount payable under all such policies shall not exceed the limit of liability of that policy referred to above which has the highest applicable limit of liability. Nothing contained here in shall be construed to increase the Limit of Liability of the policy

All other terms and conditions of the policy remains unchanged

Authorized Representative OR
Countersignature (in states where applicable)

This endorsement, effective 12:01 A.M., 08/01/06

Forms a part of Policy No.: 5120607

Issued to: American Academy of State Certified Appraisers Risk Purchasing Group

By: LEXINGTON INSURANCE COMPANY

DISCIPLINARY PROCEEDINGS EXTENSION

This endorsement modifies insurance provided by the policy:

If a **Disciplinary Proceeding** is commenced against a **Certificate Holder** during the **Certificate Period**, the **Company** will reimburse the **Named Certificate Holder** for reasonable and necessary **Defense Expenses** incurred in responding to such **Disciplinary Proceeding** against the **Certificate Holder**.

Regardless of the number of **Disciplinary Proceedings** or persons against whom such **Disciplinary Proceedings** are brought, the most the **Company** will reimburse the **Named Certificate Holder** is \$5,000 for each **Certificate Period**. Any payment made by the **Company** under this coverage extension shall be in addition to the limits of liability applicable to the **Certificate** and no Deductible shall apply to such payment. Pursuant to this coverage extension, the **Company** shall not be obligated to pay damages of any kind including, but not limited to, compensatory, punitive, or exemplary damages, penalties, fines, or taxes.

As used in this endorsement, **Disciplinary Proceeding(s)** means any proceeding by or on behalf of a regulatory or disciplinary official, board, or agency authorized to investigate charges of professional misconduct in the performance of rendering of **Professional Covered Services**.

All other terms and conditions of the policy remain the same.

Authorized Representative