

REAL ESTATE AGENTS ERRORS & OMISSIONS LIABILITY POLICY
COMMON POLICY DECLARATIONS

Wesco Insurance Company
(an Florida Domiciled Company)

Renewal of Number:

Policy No.: WPP1048261-02

Named Insured and Mailing Address

US Realty Hub LLC and Realty Hub LLC

7800 W Sand Lake Dr Suite 210

Orlando, FL 32819

Orange

Agent and Mailing Address

NORMAN-SPENCER AGENCY, INC.

8075 WASHINGTON VILLAGE DRIVE

DAYTON, OH 45458

NOTICE

**THIS IS A CLAIMS-MADE POLICY.
PLEASE READ THIS POLICY
CAREFULLY AND DISCUSS THE
COVERAGE WITH YOUR AGENT.**

Policy Period: From 10/30/2015 to 10/30/2016
at your mailing address shown above.

at 12:01 A.M. Standard Time

Retroactive Date: 10/30/2013

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE STATED IN THIS POLICY.

Premium: \$600.00

Deductible: \$2,500.00

Limits of Liability: \$1,000,000 Per Claim / \$1,000,000 Aggregate

Form(s) and Endorsement(s) made a part of this policy at time of issue:

PL990032 (0914) PL990041 (0811) PL99046FL (0914) PL990048 (0914) PL990050 (0811) PL990052 (0811)
PL990060FL (0212) PLNS-REO-APP-07FL (0714) PL-REO-DEC (0811)

By: 
Countersigned by Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

Real Estate Agents Errors & Omissions Coverage

Insured Name: US Realty Hub LLC and Realty Hub LLC

Endorsement Effective Date: 10/30/2015

1. **SECTION IV – DEFINITIONS**, Definition **M.** is deleted and replaced with the following:

M. "Pollutants mean 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."

2. **SECTION IV – DEFINITIONS**, Definition **W.** is added:

W. "Qualifying Domestic Partner" has the meaning prescribed under applicable state law, or in the absence of such law, means two (2) persons, both of whom are mentally competent and at least eighteen (18) years of age and neither of whom is married or related to each other by blood, who have a common residence that they have shared for a period of two (2) years or more and are registered as domestic partners in a local registry, if one exists.

3. **SECTION V – EXCLUSIONS**, Exclusion **E.** is deleted and replaced with the following:

E. (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed

for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(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 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".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

4. SECTION V – EXCLUSIONS, Exclusion M. item 1.
Is hereby deleted.

5. SECTION VI - CONDITIONS, Condition N., Paragraph 2. is deleted and replaced with the following:

N. Cancellation/Non-Renewal

2. The "Company" may cancel the policy by providing the first "Named Insured" written notice of cancellation or termination other than non-renewal at least 45 days prior to the effective date of the cancellation or termination, including in the written notice the reason or reasons for the cancellation or termination, except that:

a. the "Company" may cancel the policy for nonpayment of premium by mailing or delivering to the "Named Insured" written notice of cancellation stating the reason for the cancellation at least 10 days before the effective date of the cancellation; and

b. during the first 90 days during which the policy is in effect, the "Company" may cancel the policy for any reason other than non-payment of premium by mailing or delivering to the "Named Insured" written notice of cancellation stating the reason for the cancellation at least 20 days before the effective date of the cancellation except where there has been a material misstatement or misrepresentation or failure to comply with the underwriting guidelines established by the "Company."

After the Policy has been in effect for 90 days, the "Company" may not cancel this policy unless cancellation is based upon one or more of the following:

a. a material misstatement;

b. nonpayment of premium;

c. a failure to comply with underwriting requirements established by the "Company" within 90 days of the date of effectuation of coverage;

d. a substantial change in the risk covered by the policy; or

e. the cancellation is for all insureds under such policies for a given class of insureds.

The "Company" will mail or deliver to the first "Named Insured" written notice of any renewal premium or of the "Company's" intention not to renew the policy not less than 45 days before the expiration date. If the policy is not to be renewed, the notice will state the reason or reasons for nonrenewal; provided, however, that this requirement applies only if the "Insured" has furnished all of the necessary information so as to enable the "Company" to develop the renewal premium prior to the expiration date of the policy to be renewed.

If the "Company" fails to provide the described written notice of cancellation or written notice of renewal premium or nonrenewal, the policy will remain in effect until 45 days after such notice is given or until the effective date of replacement coverage obtained by the "Named Insured," whichever occurs first. The premium for the coverage shall remain the same during any such extension period except that, in the event of failure to provide notice of nonrenewal, if the rate filing then in effect would have resulted in a premium reduction, the premium during such extension of coverage shall be calculated based upon the later rate filing.

6. SECTION VI - CONDITIONS, Condition N., Paragraph 3. is deleted and replaced with the following:

N. Cancellation/Non-Renewal

3. If you cancel, earned premium will be computed on a short rate basis. If the "Company" cancels, earned premium will be computed pro rata. Premium adjustment may be made at the time cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation. The "Company" will send the "Named Insured" any premium refund within fifteen (15) working days from the cancellation.

All other terms and conditions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONTINGENT BODILY INJURY/PROPERTY DAMAGE COVERAGE
ENDORSEMENT-PROFESSIONAL SERVICES**

This endorsement modifies insurance provided under the following:

Real Estate Agents Errors and Omissions Coverage

In consideration of the premium charged, it is agreed that Section V. Exclusions, paragraphs A. and B. of this policy are deleted and replaced with the following:

A. Bodily Injury

Based on or arising out of "Bodily Injury" unless the claim results solely from an act or omission committed by the "Insured" while performing "Professional Services" provided that:

1. Such act or omission was a proximate cause of the "Bodily Injury"; and
2. There is no other policy that is applicable to such claim.

B. Property Damage

Based on or arising out of "Property Damage" unless the claim results solely from an act or omission committed by the "Insured" while performing "Professional Services" provided that:

1. Such act or omission was a proximate cause of the property damage; and
2. There is no other policy that is applicable to such claim.

It is further agreed that Section V. Exclusions is amended to include the following additional exclusions:

Based on or arising out of the ownership, maintenance, operation, use, entrustment to others, loading, or unloading of any motor vehicle, aircraft or watercraft, operated by, rented or loaned to any "Insured" ;

Based on or arising out of any act or omission for which any "Insured" could be held liable under any workers compensation, unemployment compensation or disability benefits law or under any similar law;

Based on or arising out of "Bodily Injury" to any employee of the "Insured", arising out of his or her employment by the "Insured" or to any obligation of the "Insured" to indemnify or contribute with another employer because of damages arising out of such injury.

As a condition precedent to the obligations of the Company under this endorsement:

1. The "Named Insured" agrees that comprehensive general liability insurance, including products/completed operations coverage and premises/operations liability coverage, covering "Bodily Injury" or "Property Damage" in the same amount as stated in the Declarations of this policy applying to the operations will be kept in force during this "Policy Period", other than "Professional Services".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION AND SUBLIMIT – IMPORTED DRYWALL

This endorsement modifies insurance provided under the following:

REAL ESTATE AGENTS ERRORS & OMISSIONS COVERAGE FORM

The following exclusion is added to Section **V** – Exclusions:

Imported Drywall

A. This insurance does not apply to any “Claim” arising out of an act or omission or a series of acts or omissions relating to the following:

- 1.** The design, manufacture, construction, fabrication, preparation, distribution, sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any “imported” “drywall”; or
- 2.** The “Insured’s” failure to detect, report, notify, test for, monitor, remove, contain, treat, detoxify, neutralize or clean up “imported” “drywall”.

B. Notwithstanding the above, the “Company” shall provide a limit of liability of \$25,000, which is a sublimit included within, and not in addition to, the limits of liability shown on the Declarations for “Damages” for each “Claim” alleging the “Insured” failed to disclose the existence of defective Imported Drywall in “Residential Property”, provided that, no “Insured” has any ownership interest in the property. Payment of “Claim Expenses” will reduce this sublimit. This coverage shall be excess over any other valid and collectible insurance.

C. For the purposes of this endorsement the following are added to **SECTION IV - DEFINITIONS**:

“Drywall” means any manufactured panel(s) made out of gypsum, plaster and other materials and typically encased between two pieces of heavy paper. “Drywall” may also be known as, but not limited to, gypsum board, wallboard, plasterboard, or rock lath. “Drywall” includes all component parts thereof including, but not limited to, any of the following:

- a.** Tapes;
- b.** Adhesive and/or mechanical fasteners; and/or
- c.** Coatings and/or sealants, including any compound used to seal joints.

“Imported” means:

- a.** Carried, conveyed or delivered from any country of manufacture other than the United States of America or Canada; or
- b.** Carried, conveyed or delivered to or from the United States of America or Canada if the country of manufacture cannot be determined.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MAINTENANCE AND HABITABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

REAL ESTATE AGENTS ERRORS & OMISSIONS COVERAGE FORM

The Real Estate Agents Errors and Omissions Coverage Form, SECTION IV- DEFINITIONS, Paragraph P. is deleted and replaced with the following:

- P.** “Property Manager” means a person providing the following services in connection with the management of commercial or Residential Property:
1. development and implementation of management plans and budget;
 2. oversight of property;
 3. solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
 4. development, implementation and management of loss control and risk management plans for real property;
 5. development, implementation and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property; or
 6. personnel administration and record keeping in connection with a managed property.

“Property Manager” does not include and this policy shall not cover:

- (i) “Construction Manager;”
- (ii) property improvement or maintenance services;
- (iii) analyzing, evaluating or making recommendations concerning environmental hazards or exposures; or
- (iv) obtaining, maintaining or negotiating property and liability insurance contracts.

The following exclusion is added to the Real Estate Agents Errors & Omissions Coverage Form, SECTION V- EXCLUSIONS:

Maintenance and Habitability Exclusion

Based on or arising out of the “Insured’s” services as a “Property Manager” or leasing agent for which a “Claim” is made or suit filed alleging the “Insured” failed to maintain any premises, site or location in a tenantable, habitable, livable or usable condition and/or alleging actual or constructive wrongful eviction, violation of any rent stabilization laws and ordinances, and/or violation of any local, state, and/or federal code, law, ordinance, statute, rule or regulation, that relates to the tenantability, habitability, condition, maintenance or upkeep of any premises, site or location, whether this:

1. Arises in whole or in part out of a “Claim” and/or allegation that any part of the premises, site or location is/was untenable, not habitable and/or was improperly maintained;
2. Arises out of a chain of events which includes a “Claim” that any part of the premises, site or location is/was untenable, not habitable and/or was improperly maintained, regardless of whether the tenantability, maintenance and habitability “Claim” is the initial precipitating event or a substantial cause of the alleged “Damages” or injury; or
3. Arises out of a “Claim” that any part of the premises, site or location at issue is/was untenable, not habitable and/or was improperly maintained as a concurrent cause of injury,

regardless of whether the tenantability, maintenance and habitability "Claim" is the proximate cause of "Damages" or injury.

However, notwithstanding the above, the "Company" shall provide a limit of liability of \$25,000, which is a sublimit included within, and not in addition to, the limits of liability shown on the Declarations for "Claim Expenses" and "Damages" for "Residential Property" maintenance and habitability "Claims", provided that, the "Insured" has had no ownership interest in the property. This coverage shall be excess over any other valid and collectible insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

Real Estate Agents Errors & Omissions Coverage

In consideration of the premium charged it is understood and agreed that the Real Estate Agents Errors & Omissions Coverage Form, Section V – Exclusions, is amended to include the following:

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "Insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "Insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2 .As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** 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 **(b)** 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".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(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 "insured" 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 uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"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.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION FOR RECORDING AND DISTRIBUTION OF MATERIAL
OR INFORMATION IN VIOLATION OF LAW**

This endorsement modifies insurance provided under the following:

Real Estate Agents Errors & Omissions Coverage

It is agreed that the following exclusion is added to **SECTION V- EXCLUSIONS**.

X. Recording and Distribution of Material or Information in Violation of Law

Based on or arising out of actual or alleged violation of:

1. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
2. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;
3. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
4. any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

NORMAN-SPENCER AGENCY, INC.
Real Estate Professional Liability Program

Real Estate Instant Rater Application

All states except CA, CO, HI, ID, IA, KY, LA, MS, NE, NM, NY, ND, RI, SD & TN

Name of Applicant: US Realty Hub, LLC & Realty Hub, LLC
dba (if any): Realty Hub
Name of Principal Broker: Anthony Louie Principal Contact Name: Anthony Louie
Address: 7800 W Sand Lake Road #210
City: Orlando County: USA State: FL Zip: 32819
Website Address: usrealtyhub.com Email Address: info@usrealtyhub.com
Entity Type: ☐ Sole Proprietor ☒ Corporation ☐ Partnership ☐ Other: _____
Year Firm Established: 06/30/2011 Year Principal Broker First Licensed: 08/01/2002
MM/DD/YYYY MM/DD/YYYY

To be eligible for the premium options on page two the responses to Questions 1 through 7 must be "No"!

1. Has the applicant's total gross revenues been more than \$150,000 in any one of the past three (3) calendar years? YES ☐ NO ☒
2. Does the applicant provide any services involving property management, commercial real estate sales, commercial leasing, business brokerage, appraisals, construction, development or mortgage brokerage? YES ☐ NO ☒
3. Does the applicant maintain any exclusive listing agreements with a builder or developer? YES ☐ NO ☒
4. Have you or anyone to whom this insurance would apply had their licensed revoked, been investigated or been subject to any disciplinary action by any licensing board, real estate association or other regulatory body during the past three (3) years? YES ☐ NO ☒
5. Have you or anyone to whom this insurance would apply had any claims made against you/them during the past three (3) years? YES ☐ NO ☒
6. Are you or anyone to whom this insurance would apply aware of any acts, errors, omissions or other circumstances which might reasonably be expected to lead to or, be the basis of, a claim or suit? YES ☐ NO ☒
7. Have you or anyone to whom this insurance would apply been refused insurance, been canceled, non-renewed or declined during the past three (3) years? YES ☐ NO ☒

If you answered "YES" to any of the above questions we require further information about your firm. Please visit our website at www.norman-spencer.com/programs/real-estate-ee to complete a full application and for further information about our program.

8. Does the applicant currently maintain real estate errors and omissions insurance? If so, please submit a copy of your Declaration page and all endorsements, so that we may provide prior acts coverage. YES ☒ NO ☐

FRAUD WARNING

Any person who knowingly, and with the intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any material false information or conceals for the purposes of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties and denial of insurance benefits.

I declare that the information provided in this application is true and accurate to the best of my knowledge, I have not withheld or misstated any material facts, and I will notify the company if the information on this application changes between the date of this application and the effective date of any insurance provided. I agree that this application does not bind the company to issue or the applicant to purchase the insurance. I further agree this application will become part of the policy of insurance should one be issued.

Name: Anthony Louie

Signature: ANTHONY LOUIE Digitally signed by ANTHONY LOUIE
Date: 2015.10.22 14:50:42 -0400 Date: 10-22-2015

"Please note that the application must be signed by the principal broker of the applicant firm"

NORMAN-SPENCER AGENCY, INC.
Real Estate Professional Liability Program

Please select your desired coverage from the premium table below by completing Steps 1-3. Under Premium Calculation, enter the appropriate premium amount that corresponds to the desired Limits of Liability and Deductible you selected. Add the premium and purchasing group fee together to obtain the total charges. Select your payment option in accordance with the instructions below.

Premium Table Deductible Loss & Expense	Limits of Liability		
	\$500,000/\$500,000	\$500,000/\$1,000,000	\$1,000,000/\$1,000,000
\$1,000	\$600	\$650	\$670
\$2,500	\$500	\$550	\$600

Step 1. Desired Limits of Liability: 1,000,000/1,000,000

Step 2. Desired Deductible: 2500

Step 3. Requested Effective Date: 10/30/15

Payment Calculation:

Premium: \$600-

Total Charges: \$600-

PAYMENT OPTIONS

Please select a Premium Payment Option and remit this page along with the application page and your payment.

OPTION 1

Mail your application and check for the Total Charges to: Norman-Spencer Agency, Inc.
8075 Washington Village Dr.
Dayton, OH 45458

OPTION 2

Fax your payment..

1. Complete your check made **payable to Norman-Spencer Agency** for the Total Charges and attached it to the authorization page.
 2. Sign the Authorization Page and fax it along with application and this page to: (937) 432-1640.
 3. Retain your original check and a copy of the documents in step 2 above copy for your records.
- Please note: Option 2 is not available if you are using a "starter check" from your bank or convenience checks (: i.e. we cannot accept checks from credit card companies, home equity or money market accounts or from a credit union).

If you are an Insurance Broker, please complete the following information:

Agency Name: REO Advisors

Contact Name: Kent Chrisman

Address: 1881 N University Drive, #110

City, St., Zip: Coral Springs, FL 33071

Phone: 800-753-3557

Fax: 800-228-5525

Note: Insurance Brokers should remit payment net of the commission agreed upon between your agency and the Norman-Spencer Agency as specified in the agency market agreement. The Purchasing Group Fee is not commissionable.

REAL ESTATE AGENTS ERRORS & OMISSIONS COVERAGE

Claims-Made and Reported Form

NOTICE

THIS INSURANCE IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS AND ONLY APPLIES TO THOSE "CLAIMS" FIRST MADE AND REPORTED AGAINST THE "INSURED" WHILE THIS INSURANCE IS IN FORCE. NO COVERAGE EXISTS FOR "CLAIMS" FIRST MADE AGAINST THE "INSURED" BEFORE THE BEGINNING OR AFTER THE END OF THE "POLICY PERIOD." PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have a special meaning. Refer to Section IV –Definitions.

In consideration of the payment of the premium, in reliance upon the statements made to the "Company" in the application attached hereto, and subject to the limits of liability shown in the Declarations and all other terms, conditions, exclusions and limitations contained herein, the "Company" agrees as follows:

SECTION I - INSURING AGREEMENT

A. Coverage

Subject to the limits of liability and the deductible shown in the Declarations, the "Company" will pay those amounts that the "Insured" becomes legally obligated to pay as "Damages" to which this insurance applies by reason of an act or omission in the performance of "Professional Services" by the "Insured" or by any person for whom the "Insured" is legally liable, provided that:

1. the "Claim" is first made against the "Insured" during the "Policy Period;"
2. the "Claim" is first reported in writing to the "Company" during the "Policy Period;"
3. the "Insured" did not give notice to a prior insurer of the "Claim" or of any "Related Claim;"
4. the "Insured" did not give notice to a prior insurer of any such act or omission or of any "Related Act or Omission;"
5. prior to the inception date of this policy or, if this policy has been continuously renewed, prior to the inception date of the first policy issued by the "Company" or any subsidiary or affiliate of the "Company." no "Insured" knew or could reasonably have foreseen that any such act or omission or "Related Act or Omission" might be expected to be the basis of a "Claim;"
6. the act or omission or "Related Act or Omission" resulting in the "Claim" took place on or after the Retroactive Date specified in the Declarations; and
7. the "Insured" is acting on behalf of the "Named Insured" for clients of the "Named Insured."

The "Company" will also pay "Claim Expenses" in connection with covered "Claims." "Claim Expenses" are in addition to the limits of liability shown in the Declarations.

B. Defense and Settlement

The "Company" shall have the right and duty to defend a "Claim" against an "Insured" covered by this policy even if any of the allegations of the "Claim" are groundless, false or fraudulent. The "Company" shall have the right to appoint counsel and to make such investigation and defense of a "Claim" as it deems appropriate. If a "Claim" shall be subject to arbitration or mediation, the "Company" shall be entitled to exercise all of the "Insured's" rights in the choice of arbitrators or mediators and in the conduct of an arbitration or mediation proceeding.

The "Company" shall have the right to negotiate a settlement or compromise of a "Claim" as it deems appropriate, provided, however, that the "Company" shall not settle a "Claim" without the express written consent of the "Named Insured." If the "Named Insured" refuses to consent to a settlement or compromise recommended by the "Company" and acceptable to the claimant, then the "Company's" limits of liability under this policy shall be reduced to the amount for which the "Claim" could have been settled plus "Claim Expenses" incurred up to the time the "Company" made its recommendation.

C. Exhaustion of Limits

The "Company" is not obligated to investigate, defend, pay, or settle, or continue to investigate or defend a "Claim" after the applicable limit of the "Company's" liability has been exhausted by payment of "Damages" or after the "Company" has deposited the remaining available limits of liability into a court of competent jurisdiction. In such case, the "Company" shall have the right to withdraw from the further investigation or defense of such "Claim" by tendering control of said investigation or defense of the "Claim" to the "Insured."

SECTION II - LIMITS OF LIABILITY AND DEDUCTIBLE

A. Limits of Liability - Each "Claim"

Subject to paragraph B. below, the limits of liability of the "Company" for "Damages" for each "Claim" first made against any "Insured" and reported in writing to the "Company" during the "Policy Period" shall not exceed the per claim limit of liability stated in the Declarations.

B. Limits of Liability - in the Aggregate

The limits of liability of the "Company" for all "Claims" first made against any "Insured" and reported in writing to the "Company" during the "Policy Period" shall not exceed the aggregate limit of liability stated in the Declarations. The aggregate limit of liability shown in the Declarations is the most that the "Company" will pay as "Damages," regardless of the number of "Insureds," "Claims" or "Related Claims" made, or persons or entities making "Claims" or "Related Claims." If "Related Claims" are subsequently made against the "Insured" and reported to the "Company" under this policy or any renewal of this policy, all such "Related Claims," whenever made, shall be considered a single "Claim" first made against the "Insured" and reported to the "Company" within the "Policy Period" in which the earliest of the "Related Claims" was first made against the "Insured" and reported to the "Company." The limits of liability for any such "Related Claims" shall be part of and not in addition to the limits of liability shown in the Declarations.

C. Deductible

The deductible amount stated in the Declarations is the total amount that the "Insured" shall pay for "Damages" and "Claim Expenses" for each "Claim" first made against the "Insured" and reported to the "Company" in writing during the "Policy Period." The deductible applies separately to each "Claim" and shall not be reduced by the "Insured's" payment of deductibles or retentions on other policies or by any payment made on the "Insured's" behalf by a third party. The deductible amount is subject to and shall not reduce the limits of liability of this policy.

D. Mediation Incentive

If "Mediation" of a "Claim" takes place either without institution of arbitration proceedings or service of suit or within 180 days of the institution of such proceedings or service of suit, and such "Claim" is ultimately resolved by the process of "Mediation," the deductible applying to the "Claim" will be reduced by 50% or \$10,000; whichever is less. "Mediation" means a non-binding dispute resolution proceeding facilitated by a neutral mediator.

E. Deductible Waiver

The "Insured's" obligation to pay the deductible amount stated in the Declarations shall be waived, for an amount not to exceed \$5,000, if the following conditions are met and evidence of such is provided to us when notice of a "Claim" is received:

1. a seller disclosure form was signed by the seller and acknowledged by the buyer prior to closing;
2. a home warranty policy was purchased prior to closing;
3. either
 - a. a home inspection was completed and a copy was provided to the buyer prior to closing; or
 - b. if you act solely as the buyer's agent a statement outlining the reasons a home inspection should be completed and a list of at least three home inspection companies was provided to such buyer prior to the closing; and
4. a state or local board approved standard sales contract was utilized.

The obligation to pay the deductible will not be waived if any "Insured" individually acted as both the buyer's and seller's agent in the transaction which gives rise to the "Claim".

SECTION III – SUPPLEMENTARY PAYMENTS

Supplementary payments are not subject to the deductible. The maximum amounts set forth in this **SECTION III-SUPPLEMENTARY PAYMENTS** are the most that the “Company” will pay for supplementary payments, regardless of the number of “Insureds,” “Claims” or “Related Claims” made, or persons or entities making “Claims” or “Related Claims.”

A. Reimbursement of Expenses

Subject to a maximum of \$30,000 per “Policy Period,” the “Company” will pay up to \$500 for loss of earnings to each “Insured” for each day of such “Insured’s” attendance at the “Company’s” request, at a trial, hearing, or arbitration proceeding involving a “Claim” against such “Insured.”

B. Disciplinary Proceedings

Subject to a maximum of \$20,000 per “Policy Period,” the “Company” will pay up to \$2,500 per “Insured” for attorneys fees and other costs, expenses or fees resulting from the investigation or defense of a proceeding before a real estate licensing board, excluding commission or fee disputes, arising out of an act or omission in the performance of “Professional Services” by the “Insured.”

C. Not for Profit D&O

The “Company” will reimburse any partner, principal, shareholder or member of the “Named Insured” for any “Damages” and “Claim Expenses” that such “Insured” becomes legally obligated to pay as a result of a “Claim” first made against such “Insured” and reported in writing to the “Company” during the “Policy Period” or “Extended Reporting Period” arising out of such “Insured’s” acts or omissions in his or her capacity as a director or officer of a non-profit organization, as defined by the Internal Revenue Service, provided that such Insured’s service on such non-profit organization has been disclosed to the “Company” in the application or other written notification which has been accepted in writing by the “Company”; provided that the maximum amount payable shall be \$15,000 per “Claim” and \$30,000 for all “Claims” during the “Policy Period”. Coverage shall be excess of all valid and collectible Director’s and Officer’s insurance which has been issued to the non-profit organization.

D. Public Relations/Crisis Event Services

Subject to a maximum of \$45,000 per “Policy Period,” the “Company” will reimburse the “Insured” up to \$15,000 per “Public Relations/Crisis Event” for reasonable “Public Relations/Crisis Event Expenses” incurred by the “Named Insured” for advisory services provided by a public relations firm to the “Named Insured” as a result of a “Public Relations/Crisis Event” which occurs during the “Policy Period.” The “Named Insured” must notify and obtain prior approval from the “Company” before hiring any public relations firm to handle a “Public Relations/Crisis Event,” otherwise the “Company” will have no duty under the policy to provide reimbursement for such “Public Relations/Crisis Event.”

E. Subpoena Assistance

The “Company” will pay expenses incurred while assisting the “Insured” in responding to a subpoena which the “Insured” first receives and reports in writing to the “Company” during the “Policy Period” resulting from the performance of “Professional Services” by the “Insured.” The maximum amount payable for subpoena expenses is \$5,000 per subpoena and \$25,000 per “Policy Period;” provided, however, that all subpoenas arising out of “Related Acts or Omissions” shall be deemed to constitute a single subpoena.

F. Reimbursement for Security Incident

The “Company” will reimburse the “Named Insured” for any “Security Incident” response expenses, up to a maximum of \$5,000 per “Security Incident” and \$25,000 per “Policy Period.” “Security Incident” response expenses are any expenses incurred by the “Insured” to:

1. hire cyber forensic analysts to determine the extent of an actual security breach that has occurred; or
2. comply with state or local privacy laws requiring that notification and credit monitoring services are to be provided to individuals when the security, confidentiality, or integrity of their personal information has been compromised.

SECTION IV - DEFINITIONS

- A. "Bodily Injury" means injury to the body, sickness or disease sustained by any person, including death resulting from such injuries; or mental injury, mental anguish, mental tension, emotional distress, pain or suffering or shock sustained by any person whether or not resulting from injury to the body, sickness, disease or death of any person.
- B. "Claim" means a demand received by the "Insured" for money or services arising out of an act or omission, including "Personal Injury," in the rendering of or failure to render "Professional Services." A demand shall include the service of suit or the institution of "Mediation" or an arbitration proceeding against the "Insured."
- C. "Claim Expenses" means:
1. fees charged by attorneys designated by the "Company;"
 2. all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a "Claim" if incurred by the "Company," or by the "Insured" with the written consent of the "Company," including, but not limited to, premiums for any appeal bond, attachment bond or similar bond but without any obligation of the "Company" to apply for or furnish any such bond.

Payment of "Claim Expenses" will not reduce the limits of liability available to pay "Damages." "Claim Expenses" shall not include fees, costs or expenses of employees or officers of the "Company." Nor shall "Claim Expenses" include salaries, loss of earnings or other remuneration by or to any "Insured."

- D. "Construction Manager" means a person providing the following services in connection with the construction, reconstruction and renovation of real property:
1. management of facility construction, reconstruction and renovation plans;
 2. development and management of construction, reconstruction and renovation contracts and subcontracts;
 3. development of loss control and risk management plans in connection with the construction, reconstruction or renovation.
- E. "Company" means the insurance company named in the Declarations.
- F. "Damages" mean judgments and awards, including pre-judgment interest and post-judgment interest, and settlements made with the prior written consent of the "Company."
"Damages" do not include:
1. the return or restitution of fees, commissions, expenses or costs;
 2. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule;
 3. punitive or exemplary amounts;
 4. the multiplied portion of multiplied awards;
 5. injunctive or declaratory relief;
 6. "Claim Expenses."
- G. "Guaranteed Sale Listing Contract" means a written agreement between the "Named Insured" and the seller of a property, in which the "Named Insured" agrees to purchase the property if it is not sold under the listing agreement in the time frame specified by the agreement.
- H. "Insured" means the "Named Insured" and any of the persons or entities listed below but only while rendering "Professional Services" on behalf of the "Named Insured" for clients of the "Named Insured:"
1. any person who is or becomes a partner, officer, director or employee of the "Named Insured" during the "Policy Period;"
 2. any person previously affiliated with the "Named Insured" as a partner, officer, director or employee of the "Named Insured;"
 3. any independent contractor, but only if, prior to the date a "Claim" is made:
 - a. the "Named Insured" had agreed to provide insurance for the independent contractor's "Professional Services;"
 - b. a fee inured to the "Named Insured;"
 4. the estate, heirs, executors, administrators, assigns and legal representatives of an "Insured" in the event of such "Insured's" death, incapacity, insolvency or bankruptcy, but only to the extent that such "Insured" would have been provided coverage under this policy.

5. any real estate franchise corporation of which the "Named Insured" is a franchisee, but only as respects the real estate franchise corporation's liability for acts or omissions committed by an "Insured" on behalf of the "Named Insured."
6. the lawful spouse or qualifying domestic partner of any present or former partner, member, officer, director, employee, or independent contractor, but only for liability arising out of real estate services actually or allegedly performed by such present or former partner, member, officer, director, employee, or independent contractor on behalf of the "Named Insured." The "Company" will have no obligation to pay "Damages" or "Claim Expenses" for any "Claim" arising from any act or service actually or allegedly provided by the spouse or domestic partner of any individual to whom this policy otherwise provides coverage.

"Insured" also means any personal assistant of an "Insured" as set forth in 1 or 2., above, but only while rendering "Professional Services" on behalf of such individual "Insured."

- I. "Named Insured" means only the persons and entities designated in the Declarations.
- J. "Open House" means an advertised designated time period (up to 3 hours) where multiple potential buyers have the opportunity to view the specified property that is listed for sale by the "Insured" while in the care, custody or control of the "Insured."
- K. "Personal Injury" is an injury arising out of one or more of the following acts: false arrest, detention, or imprisonment; malicious prosecution, humiliation, wrongful entry into, wrongful eviction from or other 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; the publication or utterances of a libel or slander or other disparaging or defamatory materials; a writing or saying in violation of an individual's right to privacy.
- L. "Policy Period" means the time from 12:01 A.M. local time of the inception date of this policy to the earlier of 12:01 A.M. local time of the expiration, termination, or cancellation date of this policy.
- M. "Pollutants" means any noise or any solid, semi-solid, liquid, gaseous or thermal irritant or contaminant, including without limitation, smoke, vapor, soot, fumes, mists, acids, alkalis, chemicals, biological agents or materials, electromagnetic or ionizing radiation and energy, genetically engineered materials, carcinogenic materials, waste and any other irritant or contaminant. Biological agents or materials include any agents or materials causing disease, malformation or mutation. Waste shall include any materials to be disposed, recycled, reconditioned or reclaimed.
- N. "Professional Services" means those services rendered by an "Insured" for others as a real estate agent, real estate broker, real estate personal assistant, real estate consultant or counselor, "Property Manager," real estate leasing agent or auctioneer of real property, provided that all necessary licenses or certifications are held by the "Insured" at the time of the act or omission giving rise to the "Claim." "Professional Services" also include services rendered by an "Insured" for others as a notary public or member of a formal real estate accreditation, standards review or similar real estate board or committee and services performed for others by the "Insured" on or via the "Insured's" internet, e-mail, telecommunications or similar system.
- O. "Property Damage" means injury to or destruction of any tangible property, including the resultant loss of use as well as loss of use of tangible property that is not physically damaged.
- P. "Property Manager" means a person providing the following services in connection with the management of commercial or residential property:
 1. development and implementation of management plans and budget;
 2. oversight of property;
 3. solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
 4. development, implementation and management of loss control and risk management plans for real property;
 5. development, implementation and management of contracts and subcontract (excluding property and liability insurance contracts) necessary to the daily functioning of the property; or
 6. personnel administration and record keeping in connection with a managed property.

"Property Manager" does not include and this policy shall not cover:

- (i) "Construction Manager;"
- (ii) property improvement services;
- (iii) analyzing, evaluating or making recommendations concerning environmental hazards or exposures; or
- (iv) obtaining, maintaining or negotiating property and liability insurance contracts.

- Q. "Public Relations/Crisis Event" means:
1. departure, incapacitation, illness or death of any partner, member, officer, director, or sole proprietor owner of the "Named Insured;"
 2. dissolution of the "Named Insured;" or
 3. violent act, kidnapping, sexual assault, criminal firearm use, or workplace accident resulting in negative local or national media coverage of the "Named Insured."
- R. "Public Relations/Crisis Event Expenses" means reasonable fees and expenses incurred by the "Named Insured" with the prior approval of the "Company" for advisory services provided by a public relations firm to the "Named Insured" for up to 60 days following a "Public Relations/Crisis Event."
- S. "Related Acts or Omissions" means all acts or omissions in the rendering of "Professional Services" that are temporally, logically, or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.
- T. "Related Claims" means all "Claims" arising out of a single act or omission or arising out of "Related Acts or Omissions" in the rendering of "Professional Services."
- U. "Security Incidents" means the unauthorized access to, or use of data containing private or confidential information in connection with the performance of "Professional Services" which results in the violation of any privacy regulation.
- V. "Residential Property" means any one-family to four-family dwelling.

SECTION V - EXCLUSIONS

This policy does not apply to any "Claim:"

A. Bodily Injury

Based on or arising out of "Bodily Injury," except that this exclusion shall not apply to any "Claim" for "Bodily Injury":

1. based on or arising out of an "Insured's" distribution, maintenance, operation or use of a lockbox or keyless entry system; or
2. while an "Insured" is holding an "Open House" of a listed "Residential Property."

B. Property Damage

Based on or arising out of "Property Damage," except that this the exclusion shall not apply to any "Claim" for "Property Damage:"

1. based on or arising out of an "Insured's" distribution, maintenance, operation or use of a lockbox or keyless entry system; or
2. while an "Insured" is holding an "Open House" of a listed "Residential Property."

C. Intentional Acts

Based on or arising out of any dishonest, intentional, fraudulent, criminal or malicious act or omission by an "Insured" except that whenever coverage under this policy would be excluded, suspended or lost because of this exclusion, the "Company" agrees that such insurance, as would otherwise be afforded under this policy, shall be applicable with respect to an "Insured" who did not personally participate in or personally acquiesce to any dishonest, intentional, fraudulent, criminal or malicious act or omission after having knowledge of it.

D. Misuse of Funds or Property

Based on or arising out of, or contributing to or by; any conversion, commingling, defalcation, misappropriation or improper use of funds or other property; or the gaining of any personal profit or advantage to which the "Insured" is not legally entitled.

E. Pollutants – Nuclear, Lead, Asbestos and Others

1. Based on or arising out of nuclear reaction, radiation, including but not limited to radon, or contamination, regardless of cause;
2. based on or arising out of, whether suddenly or over a long period of time:

- a. the actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of "Pollutants;" or
 - b. any injury, damage, payments, costs or expenses incurred as a result of any failure to detect, report, test for, monitor, remove, contain, treat, detoxify, neutralize or cleanup "Pollutants;"
3. based on or arising out of lead, whether or not the lead was at the time:
- a. airborne as a particle;
 - b. contained in or formed a part of product, structure, or other real or personal property;
 - c. ingested or inhaled or transmitted in any fashion; or
 - d. found in any form whatsoever;
4. based on or arising out of asbestos, whether or not the asbestos was at the time:
- a. airborne as a particle;
 - b. contained in or formed a part of a product, structure, or other real or personal property;
 - c. ingested or inhaled or transmitted in any fashion; or
 - d. found in any form whatsoever; or
5. based on or arising out of formaldehyde or urea formaldehyde whether or not these substances were at the time:
- a. airborne as a particle;
 - b. contained in or formed a part of a product, structure, or other real or personal property;
 - c. ingested or inhaled or transmitted in any fashion; or
 - d. found in any form whatsoever.

This exclusion shall not apply to any "Claim" based on or arising out of the "Insured's" failure to detect or report the existence of "Pollutants," asbestos, formaldehyde, lead or radon, as it relates to the sale of "Residential Property."

F. Sale, Purchase or Merger of a Business

Based on or arising out of the sale, purchase or merger, or attempted sale, purchase or merger, of a business, however this exclusion will not apply to the purchase or sale of real property.

G. Future or Present Value

Based on or arising out of any "Insured" making statements, representations, promises, warranties or guarantees as to any future value or present value of any property.

H. Fiduciary Responsibility

Based on or arising out of an "Insured's" inability or failure to pay money held for others.

I. Discrimination

Based on or arising out of discrimination, humiliation, harassment, or misconduct that includes but shall not be limited to "Claims" based on an individual's race, creed, color, age, gender, national origin, religion, disability, marital status or sexual preference; however, the "Company" shall provide the "Insured" with a \$250,000 Discrimination sublimit of liability included within and not in addition to the limits of liability shown on the Declarations for such "Claims" unless or until it has been determined by any final, non-appealable adjudication that the "Insured" has engaged in such conduct. Such defense will not waive any of our rights under this policy.

J. Other Insured

By or on behalf of an "Insured" under this policy against any other "Insured" hereunder.

K. Organizations for Buying, Selling Real Property

Based on or arising out of the formation, syndication, operation or administration of any property syndication, real estate investment trust or any other form of corporation, general or limited partnership or joint venture formed for the purpose of investing in, buying, or selling real property including those syndications, trusts, corporations, partnerships of joint ventures in which an "Insured" has, had or intended to have a participating interest directly or indirectly in the profit or losses thereof.

L. Buying, Selling Property Owned by Insured

Based on or arising out of the purchase of property or the sale, leasing, or appraisal of property developed, constructed, or owned:

- 1. by any "Insured;" or
- 2. by any entity in which the "Insured" has a financial interest; or

3. by any entity which has a financial interest in the "Insured;" or
4. by any entity which is under the same financial control as the "Insured."

This exclusion shall not apply to any "Claim" based on or arising out of:

- a. the actual or attempted sale of an "Insured's" "Residential Property" by another who is not the owner of such "Residential Property; or
- b. the actual or attempted sale of real property that the "Insured" did not construct or develop in which the combined ownership interests of all "Insureds" is less than 25%; or
- c. the sale of real property 100% owned by the "Named Insured" if all of the following conditions are met:
 1. the property was acquired by the "Named Insured" under a written "Guaranteed Sale Listing Contract;" and
 2. from acquisition to resale:
 - (i) the title to the property was held by the "Named Insured" for less than twelve (12) months; and
 - (ii) the property was continually offered for sale by the "Named Insured;" or
- d. the actual or attempted sale of an "Insured's" "Residential Property" if all of the following conditions are met in connection with such sale:
 1. an accredited written Home Inspection Report is issued or waived in writing by the buyer prior to closing; and
 2. a home warranty policy was purchased prior to closing; and
 3. all state required property transfer disclosures were properly completed, signed and delivered; and
 4. that the most current version, in effect at the time, of a state or board approved standard purchase/sale contract was utilized.
- e. the leasing of real property in which the combined ownership interest of all "Insureds" was less than 50% at the time of the "Professional Services" rendered.

M. Statute or Regulation Violation

Based on or arising out of actual or alleged violation of:

1. the Employee Retirement Income Security Act of 1974;
2. the Securities Act of 1933;
3. the Securities Exchange Act of 1934;
4. any state Blue Sky or Securities law; or any rules, regulations or amendments issued in relation to such acts, or any similar state or federal statutes or regulations, including any "Claim" based upon common law principles of liability if made in connection with an actual or alleged violation of any such statute or regulation.

N. Bond or Insurance Requirements

Based on or arising out of the "Insured's" failure to purchase or maintain any insurance or bonds required by law or statute that pertain to services or operations performed by any "Insured."

O. Operations Other Than Real Estate Agent

Based on or arising out of an "Insured's" interests, operations, or activities as an appraiser, asset manager, escrow agent, insurance agent, insurance broker, lawyer, mortgage banker, mortgage broker, title agent, title abstractor, "Construction Manager" or property developer.

P. Contractual Liability

Based on or arising out of an "Insured's" alleged liability assumed by the "Insured" under any contract or agreement, unless such liability would have attached to the "Insured" even in the absence of such agreements.

Q. Real Estate Agent Fees, Commissions, or Client Lists

Based on or arising out of a dispute over real estate fees, commissions, clients and/or client lists, including any "Claim Expenses" or other expenses associated therewith.

R. Signature and Notary

Based on or arising from the notarized certification or acknowledgment of a signature without the simultaneous actual presence before the "Insured" of the individual whose signature is being attested to and the act of notarization, certification or acknowledgement.

S. Advertising

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 "Insured." However, the "Company" shall provide the "Named Insured" with a \$5,000 Advertising sublimit of liability which is included within, and not in addition to the limits of liability, for "Claims" alleging the "Named Insured" made an error or omission in the course of the advertising real property for a third party who is not another "Insured".

T. Mold, Mildew or Fungus

Based on or arising out of any injury, damage, payments, costs or expenses incurred as a result of any:

1. actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any mold, mildew or fungus, or any materials containing them, at any time; or
2. failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize any mold, mildew or fungus, or any materials containing them; or
3. suit by or on behalf of a governmental authority or any other person or organization 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 any mold, mildew or fungus, or any materials containing them.

However, the "Company" shall provide a \$100,000 mold, mildew or fungus sublimit of liability which is included within, and not in addition to the limits of liability, for "Claims" alleging the "Insured's" failure, in his or her capacity as a real estate agent or broker, to advise buyers or sellers of "Residential Property" of the existence of mold, mildew or fungus at such "Residential Property", but if, and only if the following conditions were met:

- (i) neither the "Insured" nor the "Insured's" spouse had an ownership interest in such "Residential Property";
- (ii) a seller's real property disclosure statement was completed by the seller and receipt acknowledged by the buyer in writing prior to closing and a copy was retained in the "Insured's" transaction file; and
- (iii) if the "Insured" acted as agent for the buyer, a statement or disclosure regarding a buyer's right to request testing or inspection for the existence of mold, mildew or fungus was provided to and acknowledged by the buyer in writing, and a copy was retained in the "Insured's" transaction file.

U. Exterior Insulation and Finish System

Based on or arising out of any "Claim" or suit arising out of "Exterior Insulation and Finish Systems" (commonly referred to as synthetic stucco) application, installation, use or sale.

For the purpose of this endorsement, an "Exterior Insulation and Finish System" means any exterior cladding or finish system used on any part of any structure, and consisting of any or all of the following, or similar, processes or applications:

1. a rigid or semi rigid insulation board made of expanded polystyrene or other materials and
2. the adhesive and or mechanical fasteners used to attach the insulation board to the substrate, and
3. a reinforced base coat, and
4. a finish coat providing surface texture and color.

V. Punitive, Exemplary or Treble Damages or Multipliers of Attorneys' Fees

For payment of punitive, exemplary or treble damages whether arising from the acts of any "Insured" or by anyone else for whom or which any "Insured" or additional "Insured" is legally liable on any basis whatever. This exclusion specifically includes but is not limited to any multiplier or attorneys' fees statutorily awarded to the prevailing party.

W. Employment-Related Practices

Based on or arising from the following activities involving a person:

1. refusal to employ that person;
2. termination of that person's employment; or
3. employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or the spouse, child,

parent, brother or sister of that person as a consequence of any of the employment-related practices described in 1. 2. or 3. above;

This exclusion applies:

1. whether the "Insured" may be liable as an employer or in any other capacity; and
2. to any obligation to share "Damages" with or repay someone else who must pay "Damages."

SECTION VI - CONDITIONS

A. Territory

This policy applies to acts or omissions that happen anywhere in the world provided that the "Claim" is made or suit is brought against the "Insured" in the United States of America, its territories or possessions.

B. "Named Insured" Sole Agent

The "Named Insured" listed first in the Declarations shall be the sole agent of all "Insureds" hereunder for the purpose of effecting or accepting any notices hereunder, any amendments to or cancellation of this policy, for the completing of any applications and the making of any statements, or representations, for the payment of any premium and the receipt of any return premium that may become due under this policy, for the payment of the all deductibles and the exercising or declining to exercise any right under this policy.

C. Notice of "Claims" and Potential "Claims"

1. The "Insured," as a condition precedent to the obligations of the "Company" under this policy, shall immediately give written notice to the "Company" during the "Policy Period:"
 - a. of any "Claim" made against the "Insured;"
 - b. of the "Insured's" receipt of any notice, advice or threat, whether written or verbal, that any person or organization intends to hold the "Insured" responsible for any alleged breach of duty; and
 - c. of any act or omission or "Related Act or Omission" that might be reasonably be expected to be the basis of a "Claim." If a "Claim" is subsequently made against the "Insured" arising out of any act or omission or "Related Act or Omission" reported in writing to the "Company" during the "Policy Period," then such "Claim" shall be deemed to have been made when the written notice of the act or omission or "Related Act or Omission" was received by the "Company."

2. Such "Claim," notice, advice or threat, act or omission or "Related Act or Omission" shall be reported to:

Wesco Insurance Company
135 South LaSalle Street, Suite 1925
Chicago, IL 60603
Attn: Professional Liability Claims Department
Fax: (877) 207-3961
anaclaimsreporting@amtrustgroup.com

3. A report of any "Claim," notice, advice or threat shall specify the names and addresses of the persons making the "Claim," notice, advice or threat against you, and any witnesses. Provide a narrative detailing the sequence of events and their dates, along with an entire copy of your file, including notes, all transaction documents, third party inspection reports, and all pleadings or reports which you were served.
4. A report of any act or omission or "Related Act or Omission" shall specify the specific act or omission or "Related Act or Omission;" the dates and persons involved; the identity of anticipated or possible claimants; and the circumstances by which the "Insured" first became aware of the possible "Claim."
5. Until the date a "Claim" is made, the "Company" may pay for all costs or expenses we incur, at our sole discretion, as a result of investigating a potential "Claim" that the "Insured" reports.

D. Assistance and Cooperation

1. The "Insured" shall cooperate with the "Company" in the investigation and settlement of any "Claim" and upon the "Company's" request, shall attend hearings, depositions and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits and proceedings in connection with a "Claim."
2. The "Insured" shall assist in the enforcement of any right of contribution or indemnity against any person or organization who or which may be liable to any "Insured" in connection with a "Claim."

3. The "Insured" shall not, except at its own cost, voluntarily make any payment, assume or admit any liability or incur any expense without the written consent of the "Company."

E. Action Against the "Company"

1. No action shall lie against the "Company" unless, as a condition precedent thereto:
 - a. the "Insured" shall have fully complied with all the terms of this policy; and
 - b. until the amount of the "Insured's" obligation to pay shall have been finally determined either by judgment against the "Insured" after actual trial or by written agreement of the "Insured," the claimant and the "Company."
2. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the "Company" in any action against the "Insured" to determine the "Insured's" liability.

F. Examination of Books and Records

The "Company" may examine and audit the "Insured's" books and records as they relate to this policy at any time during the "Policy Period" and up to 3 years afterward.

G. Changes

Notice to any of our agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this policy. It also will not prevent the "Company" from asserting any rights under the provisions of this policy. None of the provisions of this policy will be waived, changed or modified except by written endorsement issued to form a part of this policy.

H. Assignment

No assignment of interest of the "Insured" under this policy shall be valid, unless the written consent of the "Company" is endorsed hereon.

I. Bankruptcy or Insolvency

Bankruptcy or insolvency of the "Insured" or the "Insured's" estate shall not relieve the "Company" of any of its obligations hereunder.

J. Acquisitions and Mergers

1. The "Named Insured" must provide prior notice to the "Company" of the following events:
 - a. acquisition of the "Named Insured" by another entity;
 - b. the merger of the "Named Insured" with another entity;
 - c. the acquisition of all or substantially all of the assets of the "Named Insured" by another entity; or
 - d. the acquisition of all or substantially all of the assets of another entity by the "Named Insured."
2. Upon receipt of such notice, the "Company" may:
 - a. adjust the premium to reflect the added exposure; or
 - b. deem this policy to have ceased with respect to claims-made against an "Insured" based on any act or omission committed or allegedly committed on or subsequent to the time and date of said event. In such case, the "Policy Period" shall remain unaltered and coverage will continue but only with respect to acts or omissions committed prior to the time and date of any such events in accordance with all other terms and conditions of this policy.

K. Entire Contract

By acceptance of this policy the "Insured" agrees that:

1. all of the information provided and statements made to the "Company" by the "Insured," including all information provided and statements made in the application to the "Company" for this policy and any renewal are true, accurate and complete and shall be deemed to constitute material representations made by the "Insured;"
2. this policy is issued in reliance upon the "Insured's" representations;
3. this policy, endorsements thereto, together with the completed and signed applications and any and all supplementary information and statements provided by the "Insured" to the "Company" (all of which are deemed

to be incorporated herein) embody all of the agreements existing between the "Insured" and the "Company" and shall constitute the entire contract between the "Insured" and the "Company;" and

4. the misrepresentation of any material matter by the "Insured" or the "Insured's" agent will render the policy null and void and relieve the "Company" from all liability herein. This policy is void in any case of fraud by any "Insured." It is also void if an "Insured" intentionally conceals or misrepresents a material fact or circumstance concerning this policy.

L. Other Insurance

This policy shall be excess over any other valid and collectible insurance, self-insurance or indemnification agreement available to the "Insured," whether such other insurance or indemnification agreement is stated to be primary, contributory, excess, contingent, umbrella, self-insured retention or any other basis. When this insurance is excess, the "Company" will have no duty under the Insuring Agreement to defend the "Insured" against any "Suit" if any other insurer had a duty to defend the "Insured" against that "Suit." If no other insurer defends, the "Company" will undertake to do so but the "Company" will be entitled to the "Insured's" rights against any other insurers. When this insurance is excess over other insurance, the "Company" will pay only its share of the amount of loss, if any, that exceeds the sum of:

1. the total amount that all such other insurance would pay for the loss in the absence of this insurance, and
2. the total of all deductible and self-insured amounts under all that other insurance.

M. Subrogation

In the event of any payment under this policy, the "Company" shall be subrogated to all the "Insured's" rights of recovery therefore against any person or organization, including any rights the "Insured" may have against any other "Insured" involved in dishonest, fraudulent, criminal or malicious conduct. The "Insured" shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The "Insured" shall do nothing to prejudice such rights. In the event of any recovery the "Company" shall first be reimbursed for "Damages" and "Claim Expenses" paid by the "Company."

N. Cancellation/Non-Renewal

1. The "Named Insured" may cancel this policy by written notice to the "Company" stating at what future date cancellation is to be effective.
2. The "Company" may cancel or non-renew this policy by written notice to the "Named Insured" at the address last known to the "Company." The "Company" will provide written notice at least sixty (60) days before cancellation or non-renewal is to be effective. However, if the "Company" cancels this policy because the "Insured" has failed to pay amounts within the deductible or a premium when due or has failed to pay amounts in excess of the limit of the "Company's" liability or if the "Named Insured's" license to act as a real estate professional has been revoked, suspended or surrendered at the request of any regulatory authority, this policy may be canceled by the "Company" by mailing to the "Named Insured" written notice stating when not less than ten (10) days thereafter, that such cancellation shall be effective. The time of surrender of the policy or the effective date and hour of cancellation stated in the notice shall become the end of the "Policy Period." Delivery (where permitted by law) of such written notice either by the "Named Insured" or by the "Company" shall be equivalent to mailing.
3. If the "Company" cancels this policy, the earned premium shall be computed pro rata. If the "Named Insured" cancels this policy, the "Company" shall retain the customary short rate proportion of the premium. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
4. The offering of terms and conditions different from the expiring terms and conditions shall not constitute a refusal to renew.

O. Notices

Any notices required to be given by an "Insured" shall be submitted in writing to the "Company" or its authorized representative at the address specified in the Declarations. If mailed, the date of mailing of such notice shall be deemed to be the date such notice was given and proof of mailing shall be sufficient proof of notice.

P. Liberalization

If during the "Policy Period," the "Company" makes any modifications in the form of this policy that are intended to pertain to all "Insureds" that have such forms as part of their policy, and by which the insurance afforded could be

expanded by endorsement or replacement of form without increase premium charge, then such expanded insurance applies to the "Insured" as of the date the revision is permitted for use by the relevant department of insurance.

SECTION VII - EXTENDED REPORTING PERIODS

As used herein, "Extended Reporting Period" means the period of time after the end of the "Policy Period" for reporting "Claims" by reason of an act or omission which occurred prior to the end of the "Policy Period" and is otherwise covered by this policy. "Extended Reporting Periods" do not extend the "Policy Period" or change the scope of coverage provided.

A. Automatic Extended Reporting Period

If this policy is canceled or non-renewed by either the "Company" or by the "Named Insured," the "Company" will provide an automatic, non-cancelable "Extended Reporting Period" starting at the termination of the "Policy Period" if the "Named Insured" has not obtained another policy of real estate agents professional liability insurance within sixty (60) days of the termination of this policy. This automatic "Extended Reporting Period" will terminate after sixty (60) days.

B. Optional Extended Reporting Period

1. If this policy is canceled or non-renewed by either the "Company" or by the "Named Insured," then the "Named Insured" shall have the right to purchase an optional "Extended Reporting Period." Such right must be exercised by the "Named Insured" within sixty (60) days of the termination of the "Policy Period" by providing:
 - a. written notice to the "Company;" and
 - b. with the written notice, the amount of additional premium described below.
2. The additional premium for the optional "Extended Reporting Period" shall be based upon the rates for such coverage in effect on the date the policy was issued or last renewed and shall be for:
 - a. one (1) year from the termination date of this policy at 150% of expiring premium; or
 - b. two (2) years from the termination date of this policy at 200% of expiring premium; or
 - c. three (3) years from the termination date of this policy at 250% of expiring premium.

C. Death or Disability Reporting Period Option

If a designated principal, partner or owner of the "Named Insured" dies or becomes permanently and totally disabled during the "policy period" and the "Named Insured" cancels or fails to renew this policy due to dissolution of the firm, an unlimited "Extended Reporting Period" will be granted at no additional premium, provided that:

1. the "Named Insured" has been continuously insured by the "Company" on a claims made basis for a minimum of three (3) years;
2. within ninety (90) days of the death or permanent and total disability, the "Named Insured" or the estate of the designated principal, partner or owner of the "Named Insured" requests the unlimited "Extended Reporting Period;" and
3. the "Named Insured" or the estate of the designated principal, partner or owner of the "Named Insured" furnishes written evidence and proof of the designated principal, partner or owner's death or permanent and total disability, including the date of the actual disability and written certification by the attending physician.

D. Retirement Reporting Period Option

If a designated principal, partner or owner of the "Named Insured" reaches the age of 65 and retires and the "Named Insured" cancels or fails to renew this policy due to the dissolution of the firm, an unlimited "Extended Reporting Period" will be granted at no additional premium, provided that:

1. the "Named Insured" has been continuously insured by the "Company" on a claims made basis for a minimum of three (3) years;
2. within ninety (90) days of the retirement, the "Named Insured" requests the unlimited "Extended Reporting Period;" and
3. the "Named Insured" furnishes written notice of the designated principal, partner, or owner of the "Named Insured's" retirement; and
4. the designated principal, partner, or owner of the "Named Insured" remains retired.

E. "Extended Reporting Periods" Limits of Liability

An "Extended Reporting Period" does not increase the limits of liability shown in the Declaration, even if such limits have been reduced by the payment of "Damages" or "Claim Expenses." The limits of liability of the "Company" for all "Claims" reported in writing during an "Extended Reporting Period" shall be part of and not in addition to the limits of

liability for the "Policy Period" as set forth in the Declarations and **SECTION II - LIMITS OF LIABILITY AND DEDUCTIBLE** of this policy.

F. Elimination of Right to Any "Extended Reporting Periods"

There is no right to "Extended Reporting Periods" if the "Company" shall cancel or refuse to renew this policy due to:

1. non-payment of any amount due under this policy; or
2. non-compliance by an "Insured" with any of the terms and conditions of this policy; or
3. any misrepresentation or omission in the application for this policy, or if at the time this right could be exercised by an "Insured," such "Insured's" license to act as a real estate professional has been revoked, suspended or surrendered at the request of any regulatory authority.

G. Extended Reporting Periods Not a New Policy

It is understood and agreed that the "Extended Reporting Periods" shall not be construed to be a new policy and any "Claim" submitted during such period shall otherwise be governed by this policy.