

THIS IS A CLAIMS MADE AND REPORTED INSURANCE POLICY

PLEASE READ THIS ENTIRE POLICY CAREFULLY

**REAL ESTATE PROFESSIONAL SERVICES ERRORS AND OMISSIONS
INSURANCE POLICY**

DECLARATIONS

POLICY NUMBER: PXEOP00825-00

RENEWAL OF:

Item 1. NAMED INSURED: Exclusive Real Estate Holdings Inc

Item 2. ADDRESS: 2655 First Street, Suite 150, Simi Valley, CA 93065

Item 3. POLICY PERIOD: FROM: 9/1/2024 TO: 9/1/2025
(Both dates at 12:01 A.M. Standard Time at the address of the **Named Insured** as stated in Item 2. above.)

Item 4. LIMITS OF LIABILITY:

| | | |
|----|-------------|--|
| A. | \$1,000,000 | Limit of Liability – Each Claim |
| B. | \$1,000,000 | Limit of Liability – Policy Aggregate |
| C. | \$500,000 | Limit of Liability – Fair Housing Claims |
| D. | \$500,000 | Limit of Liability – Fungi Claims |
| E. | \$500,000 | Limit of Liability – Lock-Box Claims |
| F. | \$500,000 | Limit of Liability – Open House Claims |

Item 5. DEDUCTIBLE: \$10,000 Each Claim
(inclusive of Claim Expenses)

Item 6. PREMIUM: \$20,309 MINIMUM PREMIUM: \$550

Item 7. RETROACTIVE DATE: 9/1/2005

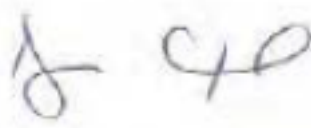
Item 8: FORMS, NOTICES AND ENDORSEMENTS ATTACHED:
PSIC-EO-BFAOP 02.2020, PSIC-EO-DEC 02.2020 , PSIC-EO-PSIC 02.2020 , PSIC-EO-Policy
Form 02.2020 , PSIC-EO- AI 02.2020 , PSIC-EO- BB 02.2020 , PSIC-EO- DRONE 02.2020 ,
PSIC-EO- FIFTC35 02.2020 , PSIC-EO- PM 02.2020 , PSIC-EO- SDS 02.2020 , PSIC-EO-
STE 02.2020 , PSIC-EO- TPFHCC 02.2020

PROGRAM ADMINISTRATOR: Palomar Insurance Agency, Inc.
DBA Palomar General Insurance Agency, Inc.
7979 Ivanhoe Avenue, Suite 500
La Jolla, Ca 92037

PRODUCER OF RECORD: Austin & Austin Insurance Services

By Acceptance of this Policy the **Insured** agrees that the statements in the Declarations and the **Application** and any attachments hereto are the **Insured's** agreements and representations and that this policy embodies all agreements existing between the **Insured** and the **Company** or any of its representatives relating to this insurance.

IN WITNESS WHEREOF, we have caused this policy to be signed by our President and Secretary.


Signed: _____
President


Signed: _____
Secretary

This Policy is issued to a participating member of the Alliance of Real Estate Services Purchasing Group, Inc., a purchasing group established pursuant to the Liability Risk Retention Act of 1986, as amended.

Notice of Privacy Policies and Practices

| | |
|--|---|
| Overview | UNDERSTANDING HOW WE USE YOUR PERSONAL INFORMATION |
| Why are you receiving this notice? | Financial Institutions like Palomar Specialty Insurance Company choose how they share your personal non-public information. Federal and state law gives consumers the right to limit some but not all sharing of that information. Federal law also requires that we tell you how we collect, share and safeguard your non-public personal information. You are receiving this Privacy Notice because our records show that either you are the owner of an insurance policy or you are (or are authorized to act on behalf of) a current insured, future beneficiary and/or claimant under a policy, product or service issued by Palomar Specialty Insurance Company and its affiliates |
| What types of information do we collect? | <p>The types of non-public information we collect and share depends on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Information included on your applications or other forms. (For example, name and address). • Information about your transactions with us or our affiliates. (For example, services purchased and payment history). • Information from consumer reporting agencies and insurance-support organizations. (For example, claims history). • Information from other sources. (For example, demographic information). • Information from visits to our web site • Information about persons other than the individual(s) proposed for coverage. (For example, resident relatives). |
| What do we do with the non-public personal information we collect? | <p>WE SHARE YOUR NON-PUBLIC PERSONAL INFORMATION IN THE COURSE OF SUPPORTING YOUR INSURANCE COVERAGE AS AUTHORIZED BY LAW OR WITH YOUR CONSENT. THIS INCLUDES SHARING, AS PERMITTED BY LAW, YOUR NON-PUBLIC PERSONAL INFORMATION WITH AFFILIATED PARTIES AND NONAFFILIATED THIRD PARTIES IN THE COURSE OF SUPPORTING YOUR INSURANCE COVERAGE. IN THE FOLLOWING SECTION WE LIST THE REASONS WE CAN SHARE YOUR NON-PUBLIC PERSONAL INFORMATION AND WHETHER OR NOT YOU CAN OPT OF THIS SHARING.</p> <p>If you are a resident of the European Union, your personal data may be transferred to destinations outside the European Economic Community (“EEA”) and we will ensure that it is treated securely and in accordance with the applicable law.</p> |

| Reasons we may share your personal | Does Company Share | Can you opt out of this sharing or limit this sharing or is your authorization required for this sharing |
|--|--------------------|--|
| For our everyday purposes – to affiliates and non-affiliates to process your transactions, administer insurance coverage, maintain your account and report to credit bureaus | Yes | No |
| For our marketing purposes or for joint marketing with other businesses | No | We don't share |
| For our affiliates everyday purposes – transaction and experience information | Yes | No |
| For our affiliates' everyday business purposes – creditworthiness | No | We don't share |
| For our affiliates to market to you | Yes | No |
| For our non-affiliates to market to you | No | We don't share |

| Collection and safeguarding of information | |
|---|--|
| How often does the Company notify me about their practices | We must notify you about our sharing practices when you receive your policy and each year while you are a customer, or when legal and other material changes require a revision. |
| Why and how does the Company collect my non-public personal information | <p>We collect non-public personal information when you apply for insurance or file an insurance claim to help us provide you with our insurance products and services and determine your eligibility. We may also ask you and others for information to help us verify your identity in order to prevent money laundering and terrorism. We collect personal information from the following:</p> <ul style="list-style-type: none"> • Applications, forms and telephone, web site or written contact. This information can include social security numbers, driver's license numbers • Your transaction(s) with us, our affiliates and other non-affiliated third parties may include appraisers, investigators, insurance companies, etc. <p>Information in a report prepared by an insurance support organization may be retained by that organization and provided to others.</p> |
| How does the Company safeguard my non-public personal information | Employees who have access to your non-public personal information are required to maintain and ensure the confidentiality of that information. Access to your personal information might be needed to conduct business on your behalf or to service your insurance coverage. In addition, we may maintain physical, electronic and procedural measures to protect your personal information in compliance with applicable laws and regulatory standards. |
| What non-public personal information does the Company disclose | We may provide to an affiliated or non-affiliated party the same non-public personal information listed above in the section entitled, "What information do we collect?" |

| Glossary | Terms you should know |
|--|--|
| Definitions | |
| Everyday business purposes | The actions necessary for financial companies like the Company to conduct business and manage customer accounts, such as: <ul style="list-style-type: none"> • Processing transactions, mailing and auditing services • Administering insurance coverage, product, services or claims • Providing information to credit bureaus • Protecting against fraud • Responding to court/governmental orders or subpoenas and legal investigations • Responding to insurance regulatory authorities |
| Affiliates | Financial or non-financial companies related by common ownership or control <ul style="list-style-type: none"> • Company affiliates include insurance and non-insurance companies under common ownership with the Company and that provide insurance and non-insurance products or services |
| Non-affiliates | We collect non-public personal information when you apply for insurance or file an insurance claim to help us provide you with our insurance products and services and determine your eligibility. We may also ask you and others for information to help us verify your identity in order to prevent money laundering and terrorism. We collect personal information from the following: <ul style="list-style-type: none"> • The Company does not share information with non-affiliates to market to you. |
| Joint marketing | A formal agreement between non-affiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> • The Company does not jointly market. |
| Changes to Privacy Notice; contact information | The Company may change the policies, standards and procedures described in the Privacy Notice at any time to comply with applicable laws and/or to conform to our current practices. We will notify you of material changes. Should you have any questions about your contract with us, contact your agent. If you have questions specific to our Privacy Notice, contact our Privacy department: Palomar Specialty Insurance Company, Attn: Privacy Office, 7979 Ivanhoe Ave, Suite 500, La Jolla CA 92037 or via email at privacy@plmr.com |

FOR RESIDENTS OF ARIZONA, CALIFORNIA, CONNECTICUT, GEORGIA, ILLINOIS, MAINE, MASSACHUSETTS, MINNESOTA, MONTANA, NEW JERSEY, NEVADA, NORTH CAROLINA, NORTH DAKOTA, OHIO OR VIRGINIA: You have the following individual rights under law:

Except for certain documents related to claims and lawsuits, you have the right to access the recorded personal information that we have collected about you which we reasonably can locate and retrieve. To access your recorded personal information you must submit a written request describing the information you see and send your written request to: Palomar Specialty Insurance Company, Attn: Privacy Office, 7979 Ivanhoe Ave. Suite 500, La Jolla CA 92037 or via email at privacy@plmr.com. If you would like a copy of your recorded personal information that we reasonably can locate and retrieve, we may charge you a reasonable fee to cover the costs incurred in providing you a copy of the recorded information. We may also direct you to a consumer reporting agency to obtain certain consumer report information.

Generally, the majority of the recorded non-public personal information we collect and have in our possession is from policy applications or enrollment forms you submit to obtain our products and services, and is reflected in your statements and other documentation you receive from us. If you believe that the personal information we have about you in our records is incomplete or inaccurate, please let us know at once in writing, and we will investigate and correct any errors we find.

You also have the right to request the correction, amendment, or deletion of recorded personal information about that you we have in our possession. You must make your request in writing and send your written request to: Palomar Specialty Insurance Company, Attn: Privacy Office, 7979 Ivanhoe Ave, Suite 500 La Jolla CA 92037 or via email at privacy@plmr.com.

The Privacy Notice is sent on behalf of Palomar Specialty Insurance Company and Palomar Insurance Holdings, Inc.



Palomar

Professional Lines

Real Estate

Errors & Omissions Program

Policy Form

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

In consideration of the payment of the premium and in reliance upon the **Application** or **Renewal Application**, all statements made and information furnished to the insurance company identified in the Declarations (a stock insurance company, hereinafter called the **Company**), and subject to all terms, conditions, and limitations of the Policy, the **Insured** and the **Company** agree as follows.

Section I. Insuring Agreement

The **Company** will pay on behalf of an **Insured** those sums in excess of the deductible, up to the applicable **Limit of Liability**, that the **Insured** becomes legally obligated to pay as **Damages** and **Claim Expenses** as a result of a **Claim** first made against the **Insured** during the **Policy Period** or any applicable **Extended Reporting Period** by reason of a **Wrongful Act**, including **Personal Injury**, in the performance of **Real Estate Professional Services** by or for the **Named Insured**, including any **Fair Housing Claims**, **Fungi Claims**, **Lock-box Claims** or **Open House Claims**, provided that:

- A. no such **Wrongful Act**, or **Related Wrongful Act**, was committed prior to the **Retroactive Date**;
- B. prior to the inception date of the Policy issued by the **Company**, no **Insured's** partners, principals, officers, directors, members, **Independent Contractors** or risk managers had a basis to believe that any circumstances, dispute, situation or incident might reasonably be expected to be the basis of a **Claim**; and
- C. the **Claim** must be reported in writing to the **Company** during the **Policy Period** or within sixty (60) days after the end of the **Policy Period** unless an **Extended Reporting Period** applies.

The **Company** has the right and duty to defend any **Claim** against an **Insured** even if any of the allegations of the **Claim** are groundless, false or fraudulent. The **Company** has the right and sole discretion to conduct any investigation it deems necessary. The **Company** has the sole right to appoint defense counsel to represent any **Insured** with respect to any **Claim** to which this Policy applies.

Section II. Definitions

- A. “**Application** or **Renewal Application**” means all the following:

The **Named Insured's** signed Errors and Omissions Insurance Policy Application;

The **Named Insured's** signed Errors and Omissions Insurance Policy Renewal Application, if this is a renewal of a Policy issued by the **Company**; and

All attachments to the **Application** or **Renewal Application** and any other information furnished to the **Company** for the purpose of applying for the insurance. All such attachments and information will be kept on file by the **Company** and deemed attached to and a part of the Policy as if physically attached to the Policy.

- B. “**Bodily Injury**” means physical injury, sickness or disease sustained by any person including death resulting from any of these at any time. **Bodily Injury** also means mental illness, mental anguish, mental injury, emotional distress, pain, suffering, or shock sustained by any person, whether or not resulting from physical injury, sickness, disease or death of such person.

C. "Claim" means:

- (1) a written demand for money or services received by an **Insured**; or
- (2) a civil proceeding in a court of law, or arbitration proceeding, against an **Insured**, commenced by the service of summons or receipt of an arbitration demand rising out of an alleged **Wrongful Act** in the performance of **Real Estate Professional Services**.

Cl. "Claim Expenses" means:

- (1) fees and costs charged by attorneys designated by the **Company**;
- (2) all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, negotiation, arbitration, mediation, defense or appeal of a **Claim**, if incurred by the **Company** or by an **Insured** with the **Company's** prior written consent; and
- (3) premiums on appeal bonds, attachment bonds or similar bonds; provided, however, the **Company** is not obligated to apply for or furnish any such bond.

Claim Expenses do not include fees, costs or expenses of employees or officers of the **Company**, or salaries, loss of earnings or other remuneration by or to an **Insured**. **Claim Expenses** do not include any fees, costs, or expenses incurred with respect to any criminal proceedings or criminal actions against any **Insured**. **Claim Expenses** do not include any claimant's attorney fees awarded against an **Insured**, or any claimant's attorney fees taxed against an **Insured** as costs. **Claim expenses** do not include any fees, costs, or expenses incurred in connection with a disciplinary or regulatory proceeding, or in connection with responding to a subpoena.

E. "Company" means the insurance company identified in the Declarations.

F. "Computer System" means computer hardware, software, firmware, and components thereof, including electronic data stored therein, which are linked together through a network of two or more computers, including such networks accessible through the internet, intranets, extranets, clouds or other virtual private networks.

G. "Construct" means to build, erect, raise, manufacture, fabricate, fashion, or create a property from the ground up, or at minimum twenty five percent (25%) more than the initial structure.

H. "Construction Manager" means a person providing the following services in connection with the construction, reconstruction or renovation of real property:

- (1) management of facility construction, reconstruction or renovation plans;
- (2) development and management of construction, reconstruction or renovation contracts and subcontracts; or
- (3) development of loss control and risk management plans in connection with the construction, reconstruction or renovation.

I. "Damages" means any monetary judgment, or award which an **Insured is legally obligated to pay, including punitive or exemplary damages where insurable by law, and pre-judgment and post-judgment interest. **Damages** also means a monetary settlement to which the **Company** agrees on an **Insured's** behalf; provided, however, **Damages** do not include:**

- (1) the return, restitution, reduction, compromise or refund of fees, commissions, expenses or costs for **Real Estate Professional Services** performed or to be performed by an

- Insured** and injuries that are a consequence of any fees, commissions, expenses or costs charged by an **Insured**;
- (2) criminal or civil fines, penalties, forfeitures, taxes or sanctions;
 - (3) the multiplied portion of any multiplied awards;
 - (4) discounts, coupons, prizes, awards or other incentives offered to any **Insured's** clients or customers;
 - (5) liquidated damages;
 - (6) the cost of compliance with any order for, grant of, or agreement to provide non-monetary relief, including services or injunctive relief;
- J.** “**Develop**” means real estate or property development and encompasses activities that range from the renovation of existing buildings to the purchase of raw land and the sale of **Developed** land or parcel to others. Development can include buying land, financing real estate deals, building or having builders **Construct** projects, create, imagine, control or orchestrate the process of development from beginning to end.
- K.** “**Disciplinary Action**” means a proceeding before any state licensing board, local real estate board or other governmental body regulating professional conduct, alleging misconduct in providing **Real Estate Professional Services** rendered on behalf of and at the direction of the **Named Insured**; provided, however, **Disciplinary Action** does not include any criminal charges.
- L.** “**Extended Reporting Period**” means the period of time after the end of the **Policy Period** for reporting **Claims** to the **Company** that are made against an **Insured** during the applicable **Extended Reporting Period** by reason of an **Wrongful Act**, which was committed prior to the end of the **Policy Period** and on, or subsequent to, the **Retroactive Date** and is otherwise covered by this Policy.
- M.** “**Fair Housing Claims**” means any **Claim** arising out of **Real Estate Professional Services** rendered on behalf of and at the direction of the **Named Insured**, alleging violations of Title VIII of the Civil Rights Act of 1968, the Fair Housing Amendment Act of 1988 or any similar local, state or federal statute or regulation, including any resulting **Personal Injury**. A **Fair Housing Claim** shall not include any civil litigation, including, but not limited to, class action lawsuits, or arbitration proceedings.
- N.** “**Fungi**” means any type or form of fungus including, but not limited to, mold, mildew, yeast, rust, smut, or mushroom and includes any mycotoxins, spores, scents, odors or byproducts produced by, released by, or arising out of the current or past presence of them.
- O.** “**Fungi Claims**” means any **Claim** arising out of **Real Estate Professional Services** rendered on behalf of and at the direction of the **Named Insured**, resulting from an **Insured's** failure to disclose the existence or presence of **Fungi**, mold or bacteria in **Residential Real Property** in which neither the **Insured** nor the **Insured's** spouse or qualifying domestic partner had any ownership interest.
- P.** “**Guaranteed Sale Listing Contract**” means a written agreement between the **Named Insured** and the seller of property in which the **Named Insured** agrees to purchase the property if it is not sold under the listing agreement within the time period specified in the agreement.
- Q.** “**Independent Contractor**” means any individual, including leased employees of such, contracted to perform **Real Estate Professional Services** on behalf of and at the direction of the **Named Insured**, but only if the **Named Insured** entered into a written contract for specific **Real Estate Professional Services** provided by the **Independent Contractor** before the **Wrongful Act** took place.

- R. "Insured" means:**
- (1) the **Named Insured** designated as such in the Declarations of this Policy ;
 - (2) any person who is a past or present employee, partner, principal, shareholder, officer, director, member of any **Named Insured**, but only for **Claims** arising from **Real Estate Professional Services** performed on behalf of and at the direction of the **Named Insured**;
 - (3) any person who is contract, temporary or leased personnel rendering **Real Estate Professional Services**, but only with respect to a **Wrongful Act** committed while acting under the direct supervision of and on behalf of the **Named Insured**;
 - (4) the estate, heirs, executors, administrators, assigns and legal representatives of an **Insured** (as set forth in subsections (2) and (3) above) in the event of such **Insured's** death, incapacity or insolvency, for any **Claim** made against the estate, heirs, assigns or legal representatives of such **Insured** solely by reason of his/her/its status as the estate, heirs, assigns or legal representatives of such **Insured** and only to the extent that coverage would have otherwise been provided under this Policy to such **Insured**;
 - (5) any real estate franchise corporation of which the **Named Insured** is a franchisee, but only as respects to the real estate franchise corporation's vicarious liability imposed by contract with the **Named Insured**, arising from a **Wrongful Act** for **Real Estate Professional Services** committed by an **Insured** on behalf of and at the direction of the **Named Insured**;
 - (6) the lawful spouse or qualifying domestic partner of an **Insured** (as set forth in subsections (2) and (3) above) for any **Claim** made against such spouse or qualifying domestic partner solely by reason of his/her status as a spouse or qualifying domestic partner of an **Insured** or his/her ownership interest in marital property/assets that are sought as recovery for such **Claim**, but only if the **Claim** does not allege any **Wrongful Act** by such spouse or qualifying domestic partner;
 - (7) an **Independent Contractor**.
- S. "Lock-box Claims" means any Claim alleging Bodily Injury or Property Damage, arising out of an Insured's distribution, maintenance, operation or use of a keyless entry system or similar device in providing Real Estate Professional Services on property not owned by an Insured.**
- T. "Named Insured" means the person or entity stated in Item 1. in the Declarations.**
- U. "Open House Claims" means any Claim alleging Bodily Injury or Property Damage, arising out of an Insured's showing of a specific Residential Real Property during an advertised designated time period where multiple potential buyers have the opportunity to view the specific Residential Real Property that is listed for sale by an Insured while in the care, custody or control of an Insured.**
- V. "Personal Information" means an individual's first and last name together with any one or more of that individual's:**
- (1) social security number;
 - (2) medical or healthcare data or other protected health information;

- (3) driver's license number, state indemnification number, or zip code;
- (4) account number, debit or credit card number together with any required security code, access code or password that would permit access to the individual's financial account; or
- (5) any non-public information of an individual as such might be defined by a **Privacy Regulation**.

Personal Information shall not include any information that is lawfully available to the general public for any reason including, but not limited to, any information contained in federal, state or local government records.

W. "Personal Injury" means actual or alleged injury other than **Bodily Injury** arising out of one or more of the following offenses by reason of a **Wrongful Act** by an **Insured** in the performance of **Real Estate Professional Services** rendered on behalf of and at the direction of the **Named Insured**:

- (1) false arrest, detention or imprisonment;
- (2) malicious prosecution;
- (3) the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, if such eviction, entry or invasion is on behalf of its owner, landlord or lessor;
- (4) libel, slander, or defamation of character; or
- (5) publication or utterance in violation of an individual's right to privacy; except, in either case (as set forth in Subsection (4) and (5) above), oral or written publication in any manner which arises out of advertising, broadcasting or telecasting activities conducted by or on behalf of any **Insured**.

X. "Policy Period" means the period of time from the effective date stated in Item 3. in the Declarations to the earliest of the date of termination, expiration or cancellation of this Policy. **Policy Period** specifically excludes all **Extended Reporting Periods** referenced in Section VIII. Automatic **Extended Reporting Periods** A. through D.

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

Z. "Privacy Breach" means a common law or statutory breach of confidence or violation of any common law or statutory rights to privacy, including but not limited to, a breach of an **Insured's Privacy Policy**, or public disclosure of a person's **Personal Information**.

AA. "Privacy Policy" means an **Insured's** policies in written or electronic form that govern the collection, dissemination, confidentiality, integrity, accuracy or availability of **Personal Information** provided to an **Insured's** employees or third parties.

BB. "Privacy Regulation" means any federal, state or local statute, legislative act or regulation governing the confidentiality, control and use of personally identifiable financial, medical or other sensitive information, including but not limited to:

- (1) Health Insurance Portability and Accountability Act of 1996 or any regulations promulgated thereunder;

- (2) Gramm-Leach-Bliley Act of 1999 or any regulations promulgated thereunder;
- (3) the Identity Red Flags under the Fair and Accurate Credit Transactions Act of 2003 or any regulations promulgated thereunder; and
- (4) any other similar federal, state or local identity theft and privacy protection statutes or regulations that require commercial entities that collect **Personal Information** to post privacy policies, adopt privacy policies and/or controls, or notify individuals if **Personal Information** potentially has been compromised.

CC. "Property Damage" means:

- (1) physical injury to, or destruction of, tangible property including all resulting loss of use resulting therefrom; or
- (2) loss of use of tangible property that has not been physically injured or destroyed.

DD. "Property Manager" means a person providing any of the following services in connection with the management of commercial or Residential Real Property:

- (1) development and implementation of management plans and budget;
- (2) oversight of physical maintenance of real 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.

Property Manager does not include a **Construction Manager**.

EE. "Public Relations Crisis" means any:

- (1) death, departure or debilitating illness of a current partner, principal, officer, or director of any **Named Insured**;
- (2) dissolution of any **Named Insured** for any reason other than bankruptcy; or
- (3) incident of workplace violence;

that the **Named Insured** reasonably believes will have a damaging effect on the **Named Insured's** reputation.

FF. "Real Estate Professional Services" means services performed for others, on behalf of and at the direction of the **Named Insured in an **Insured's** capacity as a(n):**

- (1) real estate agent or real estate broker, including providing broker price opinion (BPO) services;

- (2) leasing agent;
- (3) auctioneer of real property;
- (4) real estate consultant or counselor, or expert witness, provided such services are limited to the areas specified in items (1) through (2) above;
- (5) **Referral Agent** or notary public; or
- (6) member of a real estate accreditation, standards review or similar real estate board or committee;

provided that all necessary licenses or certifications were held by such **Insured** at the time of the act or omission giving rise to the **Claim**.

Real Estate Professional Services shall also include the above services performed for others by an **Insured** on behalf of the **Named Insured** on or via the **Insured's** internet, e-mail, telecommunications or similar system.

Real Estate Professional Services does not include any services as a **Construction Manager**.

- GG.** “**Referral Agent**” means a real estate agent whose services are limited to referring clients to an **Insured** for the purposes of commencing a real estate transaction and do not include active solicitation or engagement in the sale of real property.
- HH.** “**Related Claims**” means all **Claims** arising out of a single **Wrongful Act** or **Related Wrongful Act** in the performance of **Real Estate Professional Services**.
- II.** “**Related Wrongful Act**” means all **Wrongful Acts** that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.
- JJ.** “**Residential Real Property**” means only real property zoned for and certified by state, county or local laws, codes or ordinances for residential use and occupancy and consisting exclusively of one (1) to four (4) unit family dwellings. As used in this Policy “**Residential Real Property**” does not include any real property zoned for or licensed or certified by state, county or local laws, codes or ordinances for residential use or occupancy where the property involved in the transaction consists of five (5) or more unit family dwellings or any “mixed use” commercial-residential property. As used in this Policy “**Residential Real Property**” does not include buildings, structures, complexes, or premises which are zoned for or licensed or certified by state, county or local laws, codes or ordinances for any commercial, industrial or business use or occupancy.
- KK.** “**Retroactive Date**” means the date stated in Item 7. in the Declarations.
- LL.** “**Security Breach**” means:
- (1) the failure by any **Insured** to prevent the transmission of a malicious code from a **Computer System** to a third party’s computers and systems;
 - (2) the failure by any **Insured** to provide any authorized third party user of an **Insured's** website, or an **Insured's** computer or communications network, with access to such website, computer or communications network;
 - (3) the failure by any **Insured** to prevent unauthorized access to or use of data containing

Personal Information

of others; or

- (4) the failure by any **Insured** to provide notification of any actual or potential unauthorized access to or use of data containing **Personal Information** of others if such notification is required by **Privacy Regulation**.

MM. “Wrongful Act” means:

- (1) any actual or alleged negligent act, error or omission committed or allegedly committed by any **Insured** solely in connection with the rendering of **Real Estate Professional Services**; or
- (2) **Personal Injury** actually or allegedly caused by an **Insured** solely in connection with the rendering of **Real Estate Professional Services**.

for all purposes under this Policy, the same **Wrongful Act** or **Related Wrongful Acts** shall be deemed to have been committed at the time when the first such **Wrongful Act** was committed.

Section III. Exclusions

This Policy does not apply to **Claims** arising directly or indirectly out of the following, nor is the **Company** obligated to defend **Claims** or pay any **Damages** or **Claim Expenses**, for **Claims** in any way alleging the following:

- A.** any dishonest, intentionally wrongful, fraudulent, criminal or malicious acts or omission committed or allegedly committed by an **Insured**. The **Company** will provide the **Insured** with a defense of such **Claim** unless and until a final adjudication or finding of fact against, or admission by, such **Insured** establishes that such **Insured** committed such dishonest, intentionally wrongful, fraudulent, criminal or malicious act or omission. Such defense will not waive any of the **Company's** rights under this Policy. Upon establishing that an **Insured** committed a dishonest, intentionally wrongful, fraudulent, criminal or malicious act or omission, the **Company** will have the right to seek recovery of any **Claim Expenses** incurred on behalf of any **Insured** that committed such acts or omissions;
- B.** **Bodily Injury** or **Property Damage**, except that this exclusion does not apply to **Lock-box Claims** or **Open House Claims**;
- C.** discrimination, humiliation, harassment, or misconduct, including, but not limited to **Claims** based on allegations relating to an individual's race, creed, color, age, gender, national origin, religion, disability, marital status, sexual preference or other federally protected classes; provided, however, this exclusion does not apply to any **Damages** or **Claim Expenses** from any **Fair Housing Claims** up to the sub-limit provided pursuant to Section IV. C. Limit of Liability – **Fair Housing Claims** of the Policy;
- D.** the insolvency or bankruptcy of an **Insured**;
- E.** any:
 - (1) disputes involving an **Insured's** fees, commissions, charges or rebates;
 - (2) conversion, misappropriation, commingling or defalcation of funds, money, currency, negotiable instruments or any other tangible or intangible property;
 - (3) gaining of any personal profit or advantage to which an **Insured** is not legally entitled;

- (4) disputes involving the failure of any person(s) or entity(ies) to collect, safeguard, pay or disburse commissions, finder's fees, deposits, escrow funds, tax funds or other funds or sums of money; or
 - (5) theft of funds while in the care, custody or control of an **Insured**, or while being transferred by, or at the direction of, an **Insured** or on an **Insured's** behalf;
- F.** 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, selling or maintaining real property;
- G.** the actual or attempted sale, purchase, leasing, appraisal, or **Property Manager** services of property **Developed, Constructed** or owned by:
- (1) any **Insured**;
 - (2) any entity in which any **Insured** had a financial or a contemplated financial interest;
 - (3) any entity with a financial interest or a contemplated financial interest in the **Named Insured**; or
 - (4) any entity under the same financial control as the **Named Insured**;

provided that such financial interest, contemplated financial interest, or financial control existed at the time of the **Wrongful Act** giving rise to the **Claim**;

Notwithstanding the foregoing, this exclusion will not apply to any **Claim** based on or arising out of:

- (a) the actual or attempted sale (not purchase) of real property, that was not **Developed** or **Constructed** by any **Insured**, and in which the combined ownership interest of all **Insureds** at the time of such sale was not greater than twenty percent (20%);
- (b) the actual or attempted sale (not purchase) of **Residential Real Property**, that was not **Developed** or **Constructed** by any **Insured**, and in which the combined ownership interest of all **Insureds** at the time of such sale was greater than twenty percent (20%), if all of the following conditions are met in connection with such sale:
 - (i) a seller disclosure form was signed by an **Insured** and acknowledged in writing by the buyer prior to closing;
 - (ii) a written home inspection report was issued by a licensed or accredited home inspector, or was waived in writing by the buyer prior to closing;
 - (iii) a state or local board approved standard sales contract was utilized and acknowledged in writing by the buyer prior to closing;
 - (iv) a home warranty policy was purchased prior to closing, or was provided by the builder for new construction, or was waived in writing by the buyer prior to closing; and
 - (v) an **Insured's** ownership interest in the property was disclosed to the buyer in writing and acknowledged by the buyer prior to closing;
- (c) the actual or attempted sale (not purchase) or leasing of the **Insured's**

Residential Real Property, that was not **Developed** or **Constructed** by any **Insured**, by another **Insured** who is not the owner of such **Residential Real Property**;

- (d) the actual or attempted sale (not purchase) of real property owned by an **Insured** if the property was acquired by the **Insured** under a written **Guaranteed Sale Listing Contract**, and the title is held by the **Insured** for twelve (12) months or less and the property was listed for sale continuously by the **Insured** from the date of acquisition to the date of resale; or
- (e) an **Insured** providing leasing of real property in which an **Insured's** or all **Insureds'** controlling, legal or beneficial interest at the time leasing services were performed was less than fifty percent (50%), but only if an **Insured** had disclosed to the **Company** in their **Application** or **Renewal Application** for insurance that an **Insured** had ownership interests in such properties and provided to the **Company** in their **Application** or **Renewal Application** for insurance the revenues applicable to the leasing of such owned properties;

H. any 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) The Racketeer Influenced and Corrupt Organizations Act;
- (5) The Sarbanes-Oxley Act of 2002;
- (6) Section 113, Truncation of Credit Card and Debit Card Numbers, of the Fair and Accurate Trade Transactions Act (FACTA), as defined in 15 U.S.C. Section 1681;
- (7) any state Blue Sky or Securities law;

or any amendments thereto, including any rules or regulations issued in relation to such acts, or similar state or federal statutes or regulations, including any **Claim** based upon common law principles of liability;

I. any guarantee, warranty or promise made by an **Insured**, including but not limited to any guarantee, warranty or promise of future status, future value or future income of any property;

J. any:

- (1) actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of **Pollutants**;
- (2) injury, damage, payments, costs or expense incurred as a result of any testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of **Pollutants**;
- (3) installation, removal, disposal, handling, use or existence of, exposure to, contact with, or ingestion of lead paint or any substance or matter containing lead paint or the residue of lead paint; or
- (4) contamination or radiation, including but not limited to radon, regardless of cause; unless and only to the extent, the **Claim** results from an **Insured's** failure to disclose the

existence of **Pollutants**, lead paint or radon;

- K. the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of, any **Fungi** or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to the injury or damage; or any loss, costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, **Fungi** or bacteria by an **Insured** or by any other person or entity. However, this exclusion does not apply to **Damages** or **Claim Expenses** from any **Fungi Claims** up to the sub-limit provided pursuant to Section IV. D. Limit of Liability – **Fungi Claims** of the Policy;
- L. any actual or alleged breach of contract or liability assumed by an **Insured** under any contract or agreement, including any warranty agreement or indemnification agreement; unless such liability would have attached to the **Insured** even in the absence of such contract or agreement;
- M. any **Claim** brought by or on behalf of any:
 - (1) **Insured**;
 - (2) entity in which any **Insureds** collectively holds an equity interest greater than ten percent (10%);
 - (3) entity in which any **Insured** is an officer, director, partner, principal, or an employee; or
 - (4) parent company or other entity which owns greater than ten percent (10%) of any **Insured**;
- N. any actual or alleged plagiarism, piracy, misappropriation of trade secret or infringement of patent, copyright, trademark, trade dress, trade name, title, slogan or any other intellectual property right or unauthorized use of confidential, privileged or non-public material or information;
- O. the sale of insurance or bond, the failure to advise of the need for, or type of, insurance or bond or failure to effect or maintain adequate levels of insurance or bond;
- P. the actual or alleged notarized certification or acknowledgement of a signature without the physical appearance, at the time of such notarization, before the notary public, of the person who is or claims to be, the person signing;
- Q. any actual or alleged violation of unfair competition laws, unfair business practices laws, consumer protection laws, anti-trust laws or agreement or conspiracy to restrain trade, false or deceptive advertising, violation of the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, the Robinson-Patman Act, or any amendments thereto, or any other similar federal, state, local or foreign statutes, laws, rules, regulations or ordinance; or;
- R. any activity relating to proposed construction or land development appraisals;
- S. the actual or alleged performance of broker price opinion services (commonly known as “BPO’s”) prepared for a mortgage lender, financial institution, or loss mitigation company in connection with the issuance, sale, purchase, refinance, modification, workout, short sale, foreclosure, or other similar transaction for a mortgage loan or home equity loan or line of credit;
- T. any actual or alleged **Privacy Breach** or **Security Breach**.

Section IV. Limits of Liability

A. Limit of Liability - Each Claim

Subject to paragraph B. below, the **Company's** liability for all **Damages** and **Claim Expenses** from each Claim first made and reported in writing to the **Company** during the **Policy Period** will not exceed the amount stated in Item 4.A. in the Declarations as the "Limit of Liability - Each Claim".

B. Limit of Liability - Policy Aggregate

The **Company's** liability for all **Damages** and **Claim Expenses** from all **Claims** first made and reported in writing to the **Company** during the **Policy Period** will not exceed the aggregate amount stated in Item 4.B. in the Declarations as the "Limit of Liability – Policy Aggregate" regardless of the number of **Claims** or claimants.

C. Limit of Liability – Fair Housing Claims

The **Company's** liability for all **Damages** and **Claim Expenses** from all **Fair Housing Claims** first made and reported in writing to the **Company** during the **Policy Period** will not exceed the amount stated in Item 4.C. in the Declarations as the "Limit of Liability – **Fair Housing Claims**", which is within and not in addition to the "Limit of Liability – Policy Aggregate" stated in Item 4.B. in the Declarations.

D. Limit of Liability – Fungi Claims

The **Company's** liability for all **Damages** and **Claim Expenses** from all **Fungi Claims** first made and reported in writing to the **Company** during the **Policy Period** will not exceed the amount stated in Item 4.D. in the Declarations as the "Limit of Liability – **Fungi Claims**", which is within and not in addition to the "Limit of Liability – Policy Aggregate" stated in Item 4.B. in the Declarations.

E. Limit of Liability – Lock-Box Claims

The **Company's** liability for all **Damages** and **Claim Expenses** from all **Lock-Box Claims** first made and reported in writing to the **Company** during the **Policy Period** will not exceed the amount stated in Item 4.E. in the Declarations as the "Limit of Liability – **Lock-Box Claims**", which is within and not in addition to the "Limit of Liability – Policy Aggregate" stated in Item 4.B. in the Declarations.

F. Limit of Liability – Open House Claims

The **Company's** liability for all **Damages** and **Claim Expenses** from all **Open House Claims** first made and reported in writing to the **Company** during the **Policy Period** will not exceed the amount stated in Item 4.F. in the Declarations as the "Limit of Liability – **Open House Claims**", which is within and not in addition to the "Limit of Liability – Policy Aggregate" stated in Item 4.B. in the Declarations.

G. Multiple Policies

If this Policy and any other policy issued by the **Company** provide coverage for the same **Claim**, the maximum limit of liability under all the policies combined shall not exceed the highest remaining applicable limit of liability for the **Claim** under any one policy.

Section V. Deductible

- A.** The deductible amount stated in Item 5. in the Declarations is the **Named Insured's** obligation for each **Claim** and applies to the payment of **Damages** and **Claim Expenses**. The deductible will be paid by the **Named Insured** before the **Company** has any obligation under this Policy to pay any **Damages** or **Claim Expenses** as to any **Claim**. The limits of liability are in addition to, and in

excess of, the deductible (if any).

- B. Related Claims** made against an **Insured** and reported in writing to the **Company** under this Policy or under any renewal of this Policy will be considered a single **Claim** first made when the earliest of the **Related Claims** was first made and first reported in writing to the **Company**. A single deductible and a single Each **Claim** Limit of Liability shall apply to any such single **Claim**.
- C.** The **Named Insured's** obligation to pay the deductible amount stated in Item 5. in the Declarations as to a **Claim** will be decreased by fifty percent (50%), up to a maximum amount of \$5,000, provided all of the following conditions are satisfied and evidence of such is provided to the **Company** when notice of the **Claim** is received:
- (1) a seller disclosure form was signed by the seller and acknowledged in writing by the buyer prior to closing;
 - (2) a home warranty policy was purchased prior to closing, or was provided by the builder for new construction, or was waived in writing by the buyer between the time the **Residential Real Property** was listed and prior to closing;
 - (3) a written **Residential Real Property** inspection report was issued by a licensed or accredited home inspector, or was waived in writing by the buyer prior to closing;
 - (4) a state or local board-approved standard sales contract was utilized and acknowledge in writing by the buyer prior to closing;
 - (5) a written statement by the **Named Insured** attesting that no **Insured** (and no entity in which any **Insured** has or had any financial interest), has or had a financial interest in, or a contemplated financial interest in, the **Residential Real Property**; and
 - (6) the individual **Insured** did not act as both the buyer's and the seller's agent in the transaction;

provided, however, with respect to a **Claim** arising from a transaction in which the individual **Insured** acted as both the buyer's and the seller's agent, the **Named Insured** will not be entitled to the above waiver but the **Named Insured's** obligation to pay the deductible amount stated in Item 5. in the Declarations as to such **Claim** will be reduced by twenty five percent (25%) of the applicable deductible, not to exceed a maximum amount of \$5,000, provided conditions (1) through (5) listed above are satisfied and evidence of such is provided to the **Company** when notice of **Claim** is received.

- D.** If a **Claim** is fully and finally resolved by settlement, with the consent of the **Named Insured** and the **Company**, as reflected in a settlement agreement, order, dismissal, or judgment, within one (1) year following the date that the **Claim** is reported in writing to the **Company**, the **Named Insured** will be reimbursed 50% of the deductible, but not to exceed a maximum reimbursement of \$5,000 each **Claim** resolved or concluded in accordance with this Section of the Policy.
- E.** If both paragraphs C. and D. above apply to reduce the deductible as to any **Claim**, the **Named Insured** shall be entitled only to the largest applicable reduction under either paragraph C. or D. above.

Section VI. Supplementary Payments

The following supplementary payments are not subject to the deductible and are in addition to the limits of liability.

A. Reimbursement for Loss of Earnings

The **Company** will reimburse an **Insured**, upon written request, for reasonable and necessary expenses incurred by the **Insured** and provable loss of wages sustained by the **Insured** if the **Insured** is required by the **Company** to attend legal proceedings in connection with the defense of a **Claim**. The maximum reimbursement for such expenses shall not exceed \$500 per day. The maximum amount payable, regardless of the number of trials, hearings, mediations or arbitration proceedings or the number of **Insureds**, shall be \$7,500 per **Claim** and \$25,000 for all **Claims** during the **Policy Period**.

B. Disciplinary Action

The **Company** will reimburse an **Insured**, upon written request, for reasonable and necessary attorneys' fees, costs and expenses incurred by the **Insured**, with the prior written consent of the **Company**, in responding to a **Disciplinary Action** that is first received by the **Insured** and reported in writing to the **Company** during the **Policy Period** by reason of an **Wrongful Act** in the performance of **Real Estate Professional Services**, provided that no **Wrongful Act** alleged in the **Disciplinary Action** is the same as, or is a **Related Wrongful Act** with, a **Wrongful Act** alleged in a **Claim** made prior to the **Retroactive Date** or a notice of circumstance or potential claim given to a prior insurer. The maximum amount payable shall be \$10,000 per **Disciplinary Action** and \$50,000 for all **Disciplinary Actions** during the **Policy Period**, regardless of the number of **Disciplinary Actions**. When this provision applies, the **Company** shall have the right, but not the duty to defend any **Insured** in any **Disciplinary Action**. The **Company** shall not be obligated to pay any fine, penalty or award resulting from any **Disciplinary Action**.

C. Subpoena Expenses

The **Company** will reimburse an **Insured**, upon written request, for reasonable and necessary attorney's fees, costs and expenses incurred by the **Insured**, with the prior written consent of the **Company**, 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 **Real Estate Professional Services** by the **Insured**, provided that the subpoena does not involve a circumstance or situation underlying or alleged in a **Claim** made prior to the **Retroactive Date** or a notice of circumstance or potential claim given to a prior insurer. The maximum amount payable, regardless of the number of subpoenas shall be \$30,000. When this provision applies, the **Company** shall have the right, but not the duty to defend any **Insured** in connection with any subpoena. However, if a **Claim** is subsequently made against an **Insured** alleging a **Wrongful Act** arising from **Real Estate Professional Services**, the **Company** shall the right to cease any payment under this provision.

D. Public Relations Crisis Coverage

The **Company** will reimburse the **Named Insured**, upon written request, for reasonable and necessary public relations consulting services provided to the **Named Insured** by a public relations consulting firm in response to a **Public Relations Crisis** which first occurs and is reported to the **Company** during the **Policy Period**. The maximum amount payable shall be \$15,000 per **Public Relations Crisis** and \$50,000 for all **Public Relations Crises** during the **Policy Period**, regardless of the number of **Public Relations Crises** or the number of **Insureds**. The **Named Insured** has the right to incur **Public Relations Crisis** expenses without the **Company's** prior consent. The **Company** shall, in its sole discretion, reimburse the **Named Insured** only for **Public Relations Crisis** expenses that the **Company** deems to be reasonable and necessary. All reimbursable **Public Relations Crisis** expenses must be incurred during the **Policy Period**.

Section VII. Defense and Settlement

A. The **Company** will have the right to make, with the consent of the **Named Insured**, any

settlement of a **Claim** under this Policy. The **Named Insured** agrees not to unreasonably withhold consent to any settlement the **Company** negotiates that is acceptable to the claimant. If the **Named Insured** refuses to consent to a settlement within the Policy's applicable limit of liability that is recommended by the **Company** and acceptable to the claimant, then the **Company's** maximum liability under this Policy for such **Claim** will be the sum of the **Damages** for which the **Claim** could have been settled and the **Claim Expenses** incurred up to the time the **Company** made such recommendation, subject at all times to the applicable "Each **Claim**" or "Policy Aggregate" limit of liability.

- B.** The **Named Insured** agrees the **Company** may settle any **Claim** in an amount at or below the amount of the **Deductible** set forth in Item 5. of the Declarations Page without the **Named Insured** consent. The **Named Insured** agrees to promptly reimburse the **Company** for the amount paid in settlement of any **Claim** that the **Company** settles at or below the amount of the **Deductible** set forth in Item 5. of the Declarations Page.
- C.** The **Company** is not obligated to pay any **Damages** or **Claim Expenses**, or to defend or continue to defend any **Claim**, after the applicable "Each **Claim**" or "Policy Aggregate" limit of liability has been exhausted by the payment of **Damages** or **Claim Expenses**, or any combination thereof; or after the **Company** has deposited the remaining "Each **Claim**" or "Policy Aggregate" limit of liability into a court of competent jurisdiction or tendered the remaining available "Each **Claim**" or "Policy **Aggregate**" limit of liability to the **Named Insured** or, if applicable, to the excess insurer(s) of the **Named Insured**. In such case, the **Company** shall have the right to withdraw from the further investigation, defense and settlement of such **Claim** by tendering control of said investigation, defense and settlement of the **Claim** to the **Insured**.

Section VIII. Extended Reporting Periods

A. Automatic Extended Reporting Period

If this Policy is cancelled or non-renewed by either the **Company** or by the **Named Insured**, the **Company** will provide to the **Named Insured** an automatic **Extended Reporting Period** starting at the termination of the **Policy Period** if the **Named Insured** has not obtained another policy of real estate professional errors and omissions insurance within sixty (60) days of the termination of the **Policy Period**. This automatic **Extended Reporting Period** will be granted at no additional premium and will terminate after sixty (60) days.

B. Optional Extended Reporting Period

If this Policy is cancelled or non-renewed by either the **Company** or by the **Named Insured**, then the **Named Insured** will have the right to purchase an optional **Extended Reporting Period** of one (1), two (2) or three (3) years. Such right must be exercised by the **Named Insured** within sixty (60) days of the termination of the **Policy Period** by providing:

- (1) a written request to the **Company**; and
- (2) with the written request, the following amount of additional premium:
 - (a) for a one (1) year **Extended Reporting Period**, 125% of the annual premium for the Policy; or
 - (b) for a two (2) year **Extended Reporting Period**, 150% of the annual premium for the Policy; or
 - (c) for a three (3) year **Extended Reporting Period**, 175% of the annual premium for the Policy.

The first sixty (60) days of the optional **Extended Reporting Period**, if it is purchased, shall run concurrently with the automatic **Extended Reporting Period**.

C. **Death or Disability Extended Reporting Period**

In the event that a 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 **Named Insured** a three (3) year **Extended Reporting Period** will be granted at no additional premium, provided that within ninety (90) days of the death or permanent and total disability:

- (1) the **Named Insured** or the estate of the principal, partner or owner of the **Named Insured** requests the three (3) year **Extended Reporting Period**; and
- (2) the estate of the principal, partner or owner of the **Named Insured** furnishes written evidence and proof of the principal, partner or owner of the **Named Insured's** death or the principal, partner or owner of the **Named Insured** provides evidence and proof of the permanent and total disability, including the date of the actual disability and written certification by the attending physician.

D. **Retirement Extended Reporting Period**

- (1) If a principal, partner or owner of the **Named Insured** reaches the age of 65, and having been continuously insured by the **Company** on a claims-made basis for a minimum of 5 years, the principal, partner or owner of the **Named Insured** retires and the **Named Insured** cancels or fails to renew this Policy due to dissolution of the **Named Insured**, a three (3) year **Extended Reporting Period** will be granted at no additional premium; or
- (2) If a principal, partner or owner of the **Named Insured** retires from active business during the **Policy Period** and the **Named Insured** cancels or fails to renew this Policy due to dissolution of the **Named Insured**, a three year **Extended Reporting Period** can be purchased for an additional premium of 150% of the annual premium;

Such right must be exercised by the **Named Insured** within sixty (60) days of the retirement by providing:

- (a) a written request to the **Company**; and
- (b) with the written request, the amount of additional premium described in paragraph D. (2) above, if applicable.

There shall be no right to the retirement **Extended Reporting Period** if the license of the principal, partner or owner of the **Named Insured** has been suspended, revoked or surrendered at the request of any regulatory authority.

E. **Extended Reporting Period Limits of Liability**

The limit of liability of the **Company** for all **Claims** reported during any **Extended Reporting Period** will be part of and not in addition to the limit of liability for the **Policy Period** set forth in Item 4. in the Declarations.

F. **Elimination of Right to Any Extended Reporting Period**

There is no right to any **Extended Reporting Period** if the **Company** cancels or refuses to renew this Policy due to:

- (1) nonpayment of amounts due under this Policy;

- (2) noncompliance by any **Insured** with any of the terms and conditions of this Policy; or
- (3) any material misrepresentation or omission in the **Application** or **Renewal Application** or any supplementary information and statements provided by the **Named Insured** for this Policy.

G. Extended Reporting Period - Not a New Policy

The **Extended Reporting Period** will not be construed to be a new policy and any **Claim** submitted during such period will otherwise be governed by this Policy.

Section IX. Notice of Claim

A. An **Insured**, as a condition precedent to the obligations of the **Company** under this Policy, will give written notice to the **Company** as soon as reasonably possible of any **Claim** made against the **Insured**.

B. If during the **Policy Period** any **Insured** becomes aware of any **Wrongful Act** which may reasonably be expected to be the basis of a **Claim**, including but not limited to any notice, advice or threat, whether written or verbal, that any person or entity intends to hold the **Insured** responsible for any alleged **Wrongful Act** and gives written notice to the **Company** with full particulars, including:

- (1) the specific **Wrongful Act**;
- (2) the dates and persons involved;
- (3) the identity of anticipated or possible claimants;
- (4) the circumstances by which the **Insured** first became aware of the possible **Claim**; and
- (5) potential damages or injury;

then any **Claim** that is subsequently made against the **Insured** arising out of such **Wrongful Act** will be deemed to have been made on the date such written notice was received by the **Company**.

C. Notices pursuant to the foregoing paragraphs must be mailed or emailed to the **Company** at the following address:

- (1) Emailed to: *esclaims@plmr.com*
- (2) Mailed to: *Palomar
7979 Ivanhoe #500, La Jolla, CA 90237*

Section X. General Conditions

A. Assistance and Cooperation

- (1) Every **Insured** will cooperate with the **Company** and its representatives and, upon the **Company's** request, shall submit to examination and interrogation by a representative of the **Company**, under oath if required; shall attend hearings, depositions and trials and 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**. Every **Insured** shall cooperate and give a written statement or statements to the **Company's** representatives and meet with such representatives for the purpose of investigation and/or defense, all without charge to the **Company**, except as stated in Section VI.,

- paragraph A. of this Policy;
- (2) Every **Insured** will assist in the enforcement of any right of contribution or indemnity against any person or organization who or which may be liable to the **Named Insured** in connection with a **Claim**;
 - (3) An **Insured** will not, except at the **Insured's** own cost, voluntarily make any payment of **Claim Expenses** or **Damages**, assume or admit any liability or incur any **Claim Expenses** or other expense without the prior written consent of the **Company**.

B. Action against the Company

- (1) No action may be brought against the **Company** unless, as a condition precedent thereto:
 - (a) the **Insured** has fully complied with all the terms of this Policy; and
 - (b) until the amount of the **Insured's** obligation to pay has been finally determined either by judgment against the **Insured** after actual trial and appeal or by written agreement of the **Insured**, the claimant and the **Company**.
- (2) Nothing contained in this Policy will give any person or organization the right to join the **Company** as a defendant or co-defendant or other party in any action against an **Insured** to determine the **Insured's** liability.

C. Bankruptcy

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

D. Other Insurance

This Policy shall apply only as excess over, and shall not contribute with, any other valid and collectible policy or policies (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent, or otherwise. This Policy will not be subject to the terms of any other insurance.

E. Subrogation

In the event of any payment for any **Claim** under this Policy, the **Company** will be subrogated in the amount of such payment to all the **Insured's** rights of recovery against any person or organization. The **Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

F. Changes

Notice to any agent of the **Company** or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of this Policy and will not prevent or preclude the **Company** from asserting or invoking any right or provision of this Policy. None of the provisions of this Policy may be waived, changed or modified except by a written endorsement issued by the **Company** to form a part of this Policy.

Cancellation/Nonrenewal

- (1) **Cancellation**
 - (a) This Policy of insurance may be cancelled by the **Named Insured** by surrender thereof to the **Company** or by mailing to the **Company** written notice stating when

thereafter the cancellation shall be effective.

- (b) If this insurance has been in effect for more than 60 days or is a renewal, the **Company** may cancel this insurance only upon the occurrence, after the effective date of the insurance, of one or more of the following:
- (i) nonpayment of premium, including payment due on prior insurance the **Company** issued and which was due during the current insurance term covering the same risks;
 - (ii) discovery of fraud by an **Insured** in obtaining this insurance, or by an **Insured** in pursuing a **Claim** under this insurance;
 - (iii) a judgment by a court or an administrative tribunal that an **Insured** has violated a State or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against;
 - (iv) discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by an **Insured** which materially increase any of the risks insured against;
 - (v) failure by an **Insured** to implement reasonable loss control requirements, agreed to by the **Named Insured** as a condition of policy issuance, or which were conditions precedent to the **Company's** use of a particular rate or rating plan, if that failure materially increases any of the risks insured against;
 - (vi) a determination by the Commissioner that the loss of, or changes in, the **Company's** reinsurance covering all or part of the risk would threaten the **Company's** financial integrity or solvency;
 - (vii) a determination by the Commissioner that a continuation of the policy coverage could place the **Company** in violation of the laws of this state or the state of its domicile or that the continuation of coverage would threaten solvency;
 - (viii) a change by an **Insured** in the activities or property of the commercial or industrial enterprise which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the Policy.
- (c) The **Company** will mail or deliver advance notice of cancellation stating the reason for cancellation to the **Named Insured** and to the producer of record at least:
- (i) 10 days before the effective date of cancellation if the **Company** cancels for a reason listed in paragraph b.i. or b.ii.
 - (ii) 30 days before the effective date of cancellation if the **Company** cancels for any other reason listed in paragraph b.
- (d) If this Policy is cancelled, the **Company** will send the **Named Insured** any premium refund due. If cancelled by the **Company** or by the **Named Insured**, the refund will be pro rata.

(2) **Nonrenewal**

- (a) Subject to the provision of paragraphs b. and c. below, if the **Company** elects not to renew this insurance, the **Company** will mail or deliver written notice stating the reason for nonrenewal to the **Named Insured** and to the producer of record at least 60 days but not more than 120 days before the expiration or anniversary date.
- (b) The **Company** will mail or deliver the notice to the **Named Insured** and the producer of record at the mailing address shown in the Declarations.
- (c) The **Company** is not required to send notice of nonrenewal in the following situations:
 - (i) if the transfer or renewal of insurance without any changes in terms, conditions or rates is between the **Company** and a member of the **Company's** insurance group;
 - (ii) if the insurance has been extended for 90 days or less, provided that notice has been given in accordance with paragraph;
 - (iii) if the **Named Insured** has obtained replacement coverage or if the **Named Insured** has agreed, in writing, within 60 days of the termination of the insurance, to obtain that coverage;
 - (iv) if the insurance is for a period of no more than 60 days and the **Named Insured** is notified at the time of issuance that it will not be renewed;
 - (v) if the **Named Insured** requests a change in the terms or conditions or risks covered by the insurance within 60 days of the end of the insurance period;
 - (vi) if the **Company** has made a written offer to the **Named Insured**, in accordance with the timeframes shown in paragraph a., to renew the insurance under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

G. Territory

This Policy applies to a **Wrongful Act** taking place anywhere in the world provided that any suit is brought against an **Insured** within the United States of America, its territories or possessions, Puerto Rico or Canada.

I. Entire Contract

By acceptance of this Policy, an **Insured** attests that:

- (1) all of the information and statements provided to the **Company** by the **Insured**, including, but not limited to, the **Application** or **Renewal Application** and any supplemental information, are true, accurate and complete and will 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 **Application** or **Renewal Application** 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) any material misrepresentation or concealment by the **Named Insured** or the **Insured's** producer of record will render the Policy null and void and relieve the **Company** from all

liability herein.

J. Notices

Other than **Claims**, any notices required to be given by an **Insured** will be submitted in writing to the **Company** or its authorized representative. If mailed, the date of mailing of such notice will be deemed to be the date such notice was given, and proof of mailing will be sufficient proof of notice.

K. Assignment

No assignment of interest of an **Insured** under this Policy is valid, unless the **Company's** written consent is endorsed hereon.

L. Liberalization

If the **Company** obtains approval for any state filing in the jurisdiction in which this Policy is issued that would expand coverage under this Policy without additional premium at any time during the current **Policy Period**, the expanded coverage will immediately apply to this Policy, except that it will not apply to **Claims** that were first made against an **Insured** prior to the effective date of such approval.

M. Examination of Your Books and Records

The **Company** may examine and audit books and records of an **Insured**, as they relate to this Policy, at any time during the **Policy Period** and up to three (3) years afterward.

N. Reimbursement

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

- (1) within the amount of the applicable deductible, or
- (2) in excess of the applicable limit of liability, or
- (3) under a reservation of rights to seek reimbursement, and it is determined that the **Company** is entitled to such reimbursement,

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

O. Named Insured Sole Agent

The **Named Insured** will be the sole agent and will act on behalf of every **Insured** for the purpose of giving or receiving any notices, any amendments to or cancellation of this Policy, for the completing of any **Application** or **Renewal Application** and the making of any statements, representations and warranties, 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 deductible, to exercise or decline to exercise the rights provided in Section VII., paragraph A. of this Policy regarding consent to settlement, and the exercising or declining to exercise any right under this Policy including the purchase of an **Extended Reporting Period** under Section VIII., paragraph B., C., or D. of this Policy.

By acceptance of this Policy, each **Insured** under this Policy understands and agrees the **Named Insured** shall have the authority set forth in this Section X., paragraph O.

P. Innocent Insured

Whenever coverage under this Policy would not apply because of Section III. A., such exclusion or condition will not apply to any **Insured** who did not commit, participate in, or have knowledge of any act in which Section III. A. applies.

Q. Acquisitions, Mergers and Other Material Changes

The **Named Insured** must report to the **Company** in writing any merger, acquisition, change in franchise relationship or other material change in the **Named Insured's** operations within thirty (30) days of such change. The **Company** will have the right to decline additional coverage, charge additional premium and/or amend the provisions of this Policy accordingly.

R. Conformity to Law

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

S. Representative of the Company

Palomar shall act on behalf of the **Company** for all purposes including, but not limited to, the giving and receiving of all notices and correspondence.

In witness whereof the **Company** has caused this Policy to be signed by its President and Secretary.

Signed: _____

President

Signed: _____

Secretary

ADDITIONAL INSURED ENDORSEMENT

In consideration of the premium charged, it is agreed that the following changes are made to the Policy.

It is agreed the person or entity designated below shall be considered an **Insured** under this Policy solely for vicarious liability arising from **Real Estate Professional Services** performed by the **Named Insured**.

It is further understood and agreed that any **Damages** and **Claim Expenses** payments by the **Company** pursuant to this Endorsement shall be subject to the applicable Deductible and Limit of Liability as set forth in the Declarations of this Policy and shall in no way increase the Limit of Liability under the Policy.

Name of person or entity:

BLB Resources, Inc.

California Corporate Office

16845 Von Karman Ste 100

Irvine, CA 92606

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Named Insured: Exclusive Real Estate Holdings Inc

Policy Period: 9/1/2024 - 9/1/2025

Policy Number: PXEOP00825-00

Endorsement Effective Date: 9/1/2024

Endorsement: 1

PSIC-E0-AI 02.2020

BUSINESS BROKER ENDORSEMENT

In consideration of the premium charged, it is agreed that the following changes are made to the Policy:

Section II. Definitions, paragraph **FF. "Real Estate Professional Services"** is amended to include:

business broker;

Section III. Exclusions is amended to include the following additional exclusions:

any valuation or performance of a business; or

any guarantee or promise of the future value or income any business.

real property that is sold in connection with accounts receivable, goodwill or other value not associated with the value of property and the land upon which it sits. However, this exclusion does not apply to real property sold where a rent cash flow is a component of the transaction and estoppel certificates were duly delivered to every tenant and acknowledged in writing by every tenant.

It is further agreed that the Policy is amended where indicated below:

Section V. Deductible, paragraph **A.** is amended to include the following:

Solely with respect to any **Claim** arising out of acts or omissions in the performance of, or failure to perform, **Real Estate Professional Services** as a business broker, Item 5. of the Declarations is amended to include the following:

Item 5. **Deductible** (inclusive of **Claim Expenses**): \$10,000.00 Each Business Broker **Claim**

This Policy excludes from coverage any **Claim** arising out of acts or omissions in the performance of, or failure to perform, **Real Estate Professional Services** as a business broker that were committed prior to _____ or after _____.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Named Insured: Exclusive Real Estate Holdings Inc

Policy Period: 9/1/2024 - 9/1/2025

Policy Number: PXEOP00825-00

Endorsement Effective Date: 9/1/2024

Endorsement: 2

DRONE + BODILY INJURY/PROPERTY DAMAGE COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that the following changes are made to the Policy:

Section II. Definitions, is amended to include the following additional definitions:

“**Drone**” means a multiple rotary wing small Unmanned Aircraft (sUA) as otherwise defined in Title 14 of the Code of Federal Regulations (14 CFR) part 107, or any future version of the code or amendment thereto.

“**Drone Claims**” means any **Claim** arising out of the operation of a **Drone** for the sole purpose of photography or videography on behalf of the **Named Insured**, provided that such **Drone** operation is in compliance with all legal requirements of the applicable jurisdiction as well as Title 14 of the Code of Federal Regulations (14 CFR) part 107, or any future version of the Code or amendment thereto.

Section III. Exclusions, Paragraph **B.** is deleted and replaced with the following:

B. Bodily Injury or Property Damage, except that this exclusion does not apply to **Drone Claims, Lock- Box Claims or Open House Claims**;

Section III. Exclusions is amended to include the following additional exclusions:

any **Claims** in which any **Insured** could be held liable under any workers compensation, unemployment compensation or disability benefits law or under any similar law;

Bodily Injury to any employee of an **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;

Section IV. Limits of Liability is amended to include the following:

Limit of Liability – Drone Claims

The **Company’s** liability for all **Damages** and **Claim Expenses** from all **Drone Claims** first made and reported in writing to the **Company** during the **Policy Period** will not exceed the aggregate maximum amount of \$15,000.00 , which is part of and not in addition to the aggregate limit of liability stated in Item 4. B. in the Declarations.

It is further agreed that the Policy excludes from coverage any **Drone Claims** arising out of services that were performed prior to _____ or after _____.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Named Insured: Exclusive Real Estate Holdings Inc

Policy Period: 9/1/2024 - 9/1/2025

Policy Number: PXEOP00825-00

Endorsement Effective Date: 9/1/2024

Endorsement: 3

FRAUDULENTLY INDUCED FUND TRANSFER COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that the following changes are made to the Policy:

Section II. Definitions is amended by the following additional definitions:

“Fraudulently Induced Fund Transfer” means the theft of funds due to fraudulent instructions to transfer funds received by an **Insured** from someone who impersonated a customer, an authorized representative of a customer, or a third-party service provider of the **Named Insured**, in connection with the Insured’s performance of **Real Estate Professional Services**.

“Transfer Loss” means the amount of funds fraudulently transferred as a result of a **Fraudulently Induced Fund Transfer**. **Transfer Loss** does not include any indirect or consequential damages arising out of a **Fraudulently Induced Fund Transfer** or any associated attorneys’ fees, costs or expenses incurred in responding to **Claims** for indirect or consequential damage arising out of a **Fraudulently Induced Fund Transfer**.

“Telephone Verification” means an outgoing telephone call placed by the **Insured** to a predetermined, valid and in use telephone number to verify the authenticity and accuracy of the instruction received from the purported customer, the customer’s authorized representative, or the third-party service provider, which call resulted in verbal confirmation of the instructions and the **Insured’s** preservation of a contemporaneous written record of this verification including the time of the call, the identity of the person with whom the **Insured** spoke and confirmation of routing numbers and account numbers to be used in transferring the funds.

Section III. Exclusions, paragraph **E.**, is amended to include the following:

- E.** (5) any theft of funds while in the care, custody or control of an **Insured**, or while being transferred by, or at the direction of, an **Insured** or on an **Insured’s** behalf;

However, this exclusion does not apply to an actual **Transfer Loss** from any **Fraudulently Induced Fund Transfer** subject to the sub-limit and deductible below provided that:

- (a) the fraudulent instructions to transfer funds were sent or received via an email server, facsimile or an internet banking system;
- (b) the **Insured** performed a **Telephone Verification** prior to executing the transfer of funds or forwarding the transfer instructions to a third-party; and
- (c) the **Fraudulently Induced Fund Transfer** is not based on or arising out of any actual or alleged dishonest, intentionally wrongful, fraudulent, criminal or malicious act or omission by an **Insured**.

Section IV. Limits of Liability is amended to include the following:

Limit of Liability – Fraudulently Induced Fund Transfer Claims

The **Company** will pay an actual **Transfer Loss** from a **Fraudulently Induced Fund Transfer**

first made and reported in writing to the **Company** during the **Policy Period** up to the aggregate maximum amount of \$ \$35,000.00, which is part of and not in addition to the aggregate limit of liability stated in Item 4. B. in the Declarations.

Section V. Deductible, paragraph **A.**, is amended to include the following:

Solely with respect to any **Fraudulently Induced Fund Transfer**, Item 5. of the Declarations is amended to include:

Item 5. Deductible: \$3,500.00 Each **Fraudulently Induced Fund Transfer**

Section X. General Conditions, paragraph **D. Other Insurance**, is amended by the addition of the following:

D. Other Insurance

Coverage under this Policy for any **Fraudulently Induced Fund Transfer** shall be specifically excess of, and shall not contribute with, any other valid and collectible policy or policies including, but not limited to crime, fidelity or cyber risk, whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise.

This Policy will not be subject to the terms of any other insurance.

It is further agreed that the Policy is amended where indicated by a below:

This Policy excludes from coverage any **Fraudulently Induced Fund Transfer Claims** arising out of acts or omissions in the performance of, or failure to perform, **Real Estate Professional Services** that were committed prior to or after .

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Named Insured: Exclusive Real Estate Holdings Inc

Policy Period: 9/1/2024 - 9/1/2025

Policy Number: PXEOP00825-00

Endorsement Effective Date: 9/1/2024

Endorsement: 4

PROPERTY MANAGER ENDORSEMENT

In consideration of the premium charged, it is agreed that the following changes are made to the Policy:

Section II. Definitions, paragraph **FF**. “**Real Estate Professional Services**” is amended to include:

Property Manager;

Section III. Exclusions, paragraph **G.**, (4) (c) is deleted and replaced with the following:

- G.** (4) (c) the actual or attempted sale (not purchase), leasing or property management of the **Insured’s Real Property** that was not **Developed** or **Constructed** by any **Insured**, by another **Insured** who is not the owner of such **Residential Real Property**;

Section III. Exclusions, paragraph **G.**, (4) (e) is deleted and replaced with the following:

- G.** (4) (e) an **Insured** providing **Property Manager** services or leasing of real property in which an **Insured’s** or all **Insureds’** controlling, legal or beneficial interest at the time **Property Manager** or leasing services were performed was less than fifty percent (50%), but only if an **Insured** had disclosed to the **Company** in their **Application** or **Renewal Application** for insurance that an **Insured** had ownership interests in such properties and provided to the **Company** in their **Application** or **Renewal Application** for insurance the revenues applicable to the **Property Manager** services and/or leasing of such owned properties.

It is further agreed that the Policy is amended where indicated below:

- Section V. Deductible**, paragraph **A.** is amended to include the following:

Solely with respect to any **Claim** arising out of acts or omissions in the performance of, or failure to perform, **Real Estate Professional Services** as a **Property Manager**, Item 5. of the Declarations is amended to include the following:

Item 5. **Deductible** (inclusive of **Claim Expenses**): \$10,000.00 Each **Property Manager Claim**

- This Policy excludes from coverage any **Claim** arising out of acts or omissions in the performance of, or failure to perform, **Real Estate Professional Services** as a **Property Manager** that were committed prior to _____ or after _____.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Named Insured: Exclusive Real Estate Holdings Inc

Policy Period: 9/1/2024 - 9/1/2025

Policy Number: PXEOP00825-00

Endorsement Effective Date: 9/1/2024

Endorsement: 5

SELLER DISCLOSURE SOFTWARE ENDORSEMENT

In consideration of the premium charged, it is agreed that the following changes are made to the Policy:

It is agreed the **Named Insured's** obligation to pay the deductible amount stated in Item 5. In the Declarations will be reduced by fifty percent (50%) of the applicable deductible, but not to exceed a maximum amount of \$5,000.00, for each **Claim** arising solely out of actual or alleged undisclosed defects in the **Residential Real Property** brought against an **Insured** who represented the seller of the property, provided escrow has closed, all documents relating to the transfer of title have been duly recorded, and a seller disclosure was completed using software from a vendor listed below and written evidence of such is provided to the **Company** when notice of the **Claim** is received:

Vendor(s): Glide

If the above and **Section V. Deductible**, paragraphs **C.** and/or **D.** apply, the Named Insured shall be entitled to only the largest applicable reduction under either the above or **Section V. Deductible**, paragraph **C.** or **D.**

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Named Insured: Exclusive Real Estate Holdings Inc

Policy Period: 9/1/2024 - 9/1/2025

Policy Number: PXEOP00825-00

Endorsement Effective Date: 9/1/2024

Endorsement: 6

SHORT TERM ESCROW AGENT ENDORSEMENT

In consideration of the premium charged, it is agreed that the following changes are made to the Policy:

Section II. Definitions, paragraph **FF. "Real Estate Professional Services"** is amended to include:

Short Term Escrow Agent

Section II. Definitions is amended to include the following:

"Short Term Escrow Agent" means an **Insured** performing the following services on behalf of and at the direction of the **Named Insured** in connection with the sale or purchase of real property: Receiving or holding funds in, or distributing funds from, an escrow or trust account when all such funds are received in the form of United States currency, certified or guaranteed check, or money order, held separately from all **Insured's** funds and where such funds are to be fully distributed within twelve (12) months from the date received.

Section III. Exclusions, paragraph **E.**, (4) is deleted and replaced with the following:

- E.** (4) disputes involving the failure of any person(s) or entity(ies) to collect, safeguard, pay or disburse commissions, finder's fees, deposits, escrow funds, tax funds or other funds or sums of money, unless the **Insured** is acting in the capacity of a **Short Term Escrow Agent**;

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Named Insured: Exclusive Real Estate Holdings Inc

Policy Period: 9/1/2024 - 9/1/2025

Policy Number: PXEOP00825-00

Endorsement Effective Date: 9/1/2024

Endorsement: 7

THIRD PARTY FAIR HOUSING CLAIMS COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that the following changes are made to the Policy:

Section II. Definitions, paragraph **M.** is deleted and replaced with the following:

- M.** “**Fair Housing Claims**” means any **Claim** arising out of **Real Estate Professional Services** rendered on behalf of and at the direction of the **Named Insured**, alleging violations of Title VIII of the Civil Rights Act of 1968, the Fair Housing Amendment Act of 1988 or any similar local, state or federal statute or regulation, including any resulting **Personal Injury**.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Named Insured: Exclusive Real Estate Holdings Inc

Policy Period: 9/1/2024 - 9/1/2025

Policy Number: PXEOP00825-00

Endorsement Effective Date: 9/1/2024

Endorsement 8

Austin & Austin Insurance Services

An EPIC Insurance Brokers & Consultants Company
Corporate California State License #0B29370
3697 Mt. Diablo Blvd, Suite 100 | Lafayette CA 94549
Ph: 800.987.1475 F: 925.416.1693

Be certain to provide a comprehensive answer to **each** question. **Every question is important** and may have an impact on the coverage offered and/or the premium quoted. Including **but not limited to**: if a name, prior name (including dba's), changes in ownership, services provided or that may be provided are not accurately expressed on your application it/they may not be included for coverage. We have an extensive summary available regarding completing this application that is sent with all renewals and is available upon request.

1. **YOUR FULL NAME:** (including all firm names, trading names, franchise affiliation or DBA's under which you operate).

Exclusive Real Estate Holdings Inc

dba: Keller Williams Realty Exclusive Properties

ADDRESS (of principal office): 2655 First Street, Ste 150 CITY Simi Valley

COUNTY Ventura STATE CA ZIP 93065

TELEPHONE: (805) 777-7117 FAX: (805) 583-7655 e-mail klrw563@kw.com

Does the applicant have multiple sales office locations? Yes No. If Yes, How many? _____. (Please list the names and addresses of all additional locations under the same ownership with the firm given in Question #1).

2.a. Has the firm name ever changed or has there ever been any acquisition, consolidation, dissolution, merger or change in business organization? Yes No. If yes, please explain on separate sheet. (coverage is not provided for any predecessor firms or prior owners unless approved in writing by the insurance company).

2.b. Are there any Additional Insured's needed? (Franchises, e. g.) Keller Williams Realty International

3. Month/Year firm established under current ownership? 2005

Firm is: Individual (Sole Proprietorship) Partnership Corporation. Corporation

4. Complete the following for each Owner, Partner, Director and Officer. If licensed less than three (3) years, please provide resumes.

| Name and Title | Date First Licensed as Broker / Agent | License Status Active/In-active | Professional Designations |
|----------------|---------------------------------------|---------------------------------|---------------------------|
|----------------|---------------------------------------|---------------------------------|---------------------------|

5.a. Are you controlled by or owned by or associated with, or do you control or own or affiliated with any other firm or business? Yes No? If yes, please explain.

5.b. Is your firm or any agent/broker/principal engaged in any business enterprise or professional practice other than real estate sales, leasing, property management, appraisal, or counseling? Yes No. If Yes, please explain.
Escrow, business brokerage, referral fees - included

5.c. If yes to 5.a. or 5.b., Do they perform any services to the applicant or does the applicant provide services for them? If yes, please explain. N

- 6.a. STAFF: (indicate numbers, include those listed on #4)
 Licensed Brokers - employed and independent contractors 29 (over \$20,000 commission 15 under \$20k 14)
 Licensed Agents - employed and independent contractors 174 (over \$20,000 commission 73 under \$20k 101)
 Property Management _____
 Clerical employees 8
 Other: (fully describe) _____
 TOTAL STAFF: 211
- 6.b. Number of licensees who have either a broker's license or a professional designation _____
 6.c. Number of licenses who have completed a DRE approved Continuing Education course within the last 12 mos. _____
 7. Please indicate the percentage of licensed agents who have held their licenses more than two years? 80 %
 8.a. GROSS INCOME from real estate activities (gross income includes all fees and commissions before expenses and split with agents).

| Description | Gross Income Last 12 Months | Number of Transactions | % Sold w/ Warranty | Projected Income Next 12 Months | Projected Transactions |
|---|-----------------------------|------------------------|--------------------|---------------------------------|------------------------|
| Residential Sales | \$ \$5,578,971.00 | 307 | 90 | \$5,500,000.00 | 300 |
| Commercial (including residential prop. over 5 units) | \$ | | | | |
| Vacant Land Zoned for Residential Usage | \$ | | | | |
| Vacant Land Zoned for Commercial Usage | \$ | | | | |
| Mobile Home Sales-in mobile home parks | \$ | | | | |
| Business Brokerage | \$ | | | \$1,000.00 | 1 |
| Property Management Fees (Residential) | \$ | | | | |
| Property Management Fees (Commercial) | \$ | | | | |
| Real Estate Leasing fees (Residential, not managed) | \$ | | | | |
| Real Estate Leasing fees (comm'l, not managed) | \$ | | | | |
| Real Estate Appraisal Fees | \$ | | | | |
| Referral Fees | \$ \$281,555.00 | | | \$200,000.00 | |
| Real Estate Consulting | \$ | | | | |
| Escrow Services | \$ \$642,969.00 | 129 | | \$640,000.00 | 129 |
| Real Estate Mortgage Brokerage, see 8c below | \$ | | | | |
| Other (Describe) | \$ | | | | |
| Total | \$ | | | | |

- 8.b. In the last five years, has the applicant engaged in any professional services or business other than those indicated in #8.a. above? Yes No. If yes, pls describe _____
- 8.c. If yes to mortgage brokering or banking, Loan Volume _____ Largest Loan _____ % Residential _____
- 8.d. Has any one client accounted for 25% or more of the applicant's gross revenues during the past 12 months? N
- 8.e. What percentage of sales are from new construction? 1 If any, are you the exclusive sales agent for a builder/developer? Yes No If yes, please describe _____
- 8.f. What percentage of transactions involve dual agency? 20
9. Please indicate the average sales price of the firms prior year closed residential transactions. \$814,517.00
- 10.a. During the last 12 months, what % of transactions were REO's/Foreclosures/Short Sales? 0
- 10.b. Does the applicant form, manage or organize group investments/syndications (i.e., limited partnerships, general partnerships, real estate investment trusts or corporations) for the purpose of investing in real property? Yes No. If Yes, please provide applicant's income from this activity \$ _____. **No Coverage is provided.**
- 10.c. Does the applicant have any involvement with real estate activities for which an applicant is a construction manager or property developer? Yes No. If Yes, is the construction manager or property developer a separate business entity? Yes No. Provide the name of the entity _____. **No coverage is provided.**
11. a. Is the applicant involved in property management? Yes No. If yes, please complete the following.
 b. Is a budget prepared for each piece of property managed? Yes No.
 c. Is a credit report obtained on each prospective tenant? Yes No.
 d. Do you use standard management and lease agreements? Yes No.
 e. Number of residential units managed: _____
 Commercial/Industrial units/buildings managed: _____
 _____ res units _____ condos _____ 5+ unit apts _____ office buildings _____ warehouses _____ shopping ctrs
 f. Does the applicant (or anyone who may qualify as an insured) have a combined financial interest that exceeds 10% in any property managed? Yes No.
 g. Do you provide property management services for HOA's Yes No.

12. a. Does the firm have an in-house procedures manual? Yes No
- b. Does the firm have in-house training sessions and/or encourage agents to take outside training courses? Yes No.
- c. Does the principal broker have a specific training program for new sales associates? Yes No
- d. Has the firm's principal broker attended a risk reduction seminar in the last year? Yes No
- e. Are standard contract forms used? Yes No
If Yes, what percentage of transactions use standard contract forms? 99 %
- f. Are property/seller disclosure forms used? Yes No
If yes, what percentage of transactions use disclosure forms? 99 %
- g. Does the firm require their agents to perform visual inspections of properties? Yes No

(No #13)

14. PRIOR INSURANCE HISTORY: (By year, please advise the following information on any and all Real Estate Errors and Omissions Insurance carried by the firm(s). Also, please note if you have invoked an "extended reporting period" for any contract).

List all insurance companies for the past five (5) years by name and year beginning with the most current. If none, state none.

Current Insurance Company Great American Fidelity Insurance Company
Limits of Liability 1M/1M Deductible: 15000
Retroactive Date 09/01/2005 Incep/Exp Date 09/01/2023 - 09/01/2024 Premium \$30,252.00

2nd Year Insurance Company Great American Fidelity Insurance Company
Limits of Liability 1M/1M Deductible: 10,000
Retroactive Date 09/01/2005 Incep/Exp Date 09/01/2022 - 09/01/2023 Premium \$33,716.00

3rd Year Insurance Company Great American Fidelity Insurance Company
Limits of Liability 1M/1M Deductible: 10000
Retroactive Date 09/01/2005 Incep/Exp Date 09/01/2021 - 09/01/2022 Premium \$34,742.00

4th Year Insurance Company Great American Fidelity Insurance Company
Limits of Liability 1M/1M Deductible: 10000
Retroactive Date 09/01/2005 Incep/Exp. Date 09/01/2020 - 09/01/2021 Premium \$29,688.00

5th Year Insurance Company Great American Fidelity Insurance Company
Limits of Liability 1M/1M Deductible: 10000
Retroactive Date 09/01/2005 Incep/Exp Date 09/01/2019 - 09/01/2020 Premium \$26,532.00

YOU WILL NOT RECEIVE RETROACTIVE COVERAGE WITHOUT DATES GIVEN AND PROOF OF PRIOR INSURANCE.

ANSWER QUESTIONS #15 THROUGH #18, ONLY AFTER INQUIRY OF EACH MEMBER OF THE FIRM.

15. Have any persons proposed for this coverage ever been subject to disciplinary action by any real estate association, state licensing board or other regulatory body as a result of real estate agents or brokers, property managers or real estate appraiser activities? If yes, please attach a detailed explanation Yes No.
16. Has any application or policy for similar Errors and Omissions insurance on behalf of the applicant, partners, owners or officers of the applicant or on behalf of the applicant's predecessors in business ever been declined, cancelled or refused renewal? (Other than due to loss of market.) If yes, please attach a detailed explanation. Yes No.
17. Have any claims been made during the past five years against the applicant or those indicated in Questions 4 or 6? Yes No. If yes, the SUPPLEMENTAL CLAIMS INFORMATION must be completed for each claim.
Please note: This policy will not apply to claims which any person proposed for this insurance is aware of prior to the effective date of the policy.
18. Is the applicant aware of any circumstance which may result in a claim being made against the applicant or those indicated in Questions 4 or 6? Yes No. If yes, the SUPPLEMENTAL CLAIMS INFORMATION must be completed for each circumstance. *Please note: This policy will not apply to circumstances which any person proposed for this insurance is aware of prior to the effective date of the policy.*

APPENDIX

Are you a Mortgage Banker and/or Mortgage Broker? No

2nd Largest : - \$3,200,000.00