

**THE
CINCINNATI INSURANCE COMPANY**

P.O. BOX 145496,
CINCINNATI, OHIO 45250-5496
(513) 870-2000

Policy Number: **BCP 867 55 12**

Previous Policy Number: **NEW**

**NON - PROFIT ORGANIZATION BLUE CHIP POLICY
DECLARATIONS**

NOTICE: THIS INSURANCE COVERAGE CONTAINS CLAIMS MADE COVERAGE. THIS INSURANCE IS LIMITED TO "WRONGFUL ACTS" FOR WHICH "CLAIMS" ARE FIRST MADE AGAINST THE "POLICY INSUREDS" DURING THE "POLICY PERIOD". PLEASE READ AND REVIEW THIS INSURANCE CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR AGENT.

THE LIMITS OF INSURANCE AVAILABLE TO PAY DAMAGES, JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED AS "DEFENSE COSTS".

COVERAGE UNDER ANY PARTICULAR COVERAGE PART IS NOT IN FORCE UNLESS THE CORRESPONDING SECTION OF THE DECLARATIONS HAS BEEN COMPLETED.

COVERAGE PARTS

- Part I Directors, Officers, Trustees and Organization Liability Coverage
- Part II Employment Practices Liability Coverage
- Part III Trustee and Fiduciary Liability and Employee Benefits Administration Coverage
- Part IV General Provisions Applicable to All Coverage Parts

General Declarations

Item 1. Named Insured:

Principal Address:

**4200 Somerset Drive, Suite 216
Prairie Village, KS 66208-5250**

Item 2. Total Annual Premium for the Policy (all Coverage Parts combined): \$ **750.**
Premium is payable ☒ Annually ☐ Semi-Annually ☐ Quarterly ☐ Prepaid (for Policy Period) as follows:
Advance Premium \$ **750.** (includes installment charge of \$ **N/A**)
Each Subsequent Installment \$ **750.** (includes installment charge of \$ **N/A**)

Item 3. Forms and endorsements applicable to this Policy at policy inception:

REFER TO IA450F

05-11-2010 AM1

ORIGINAL

Part I Declarations - Directors, Officers, Trustees and Organization Liability Coverage

Item 1. Insured Entity:

Northwood Trails Homes Association

Principal Address:

**4200 Somerset Drive, Suite 216
Prairie Village, KS 66208-5250**

Item 2. Policy Period: from 12:01 a.m. 06-01-2010 to 12:01 a.m. 06-01-2013
local time at the address set forth in Item 1. of the General Declarations

Item 3. Limit of Insurance: \$ 1,000,000. in the aggregate

Item 4. Deductible: \$ 5,000. each "claim"

Item 5. Retroactive Date: N/A

Item 6. Prior and / or Pending Date: 03-16-1993

Item 7. Total Annual Premium for this
Coverage Part: \$ 750.

Part II Declarations - Employment Practices Liability Coverage

Item 1. Insured Entity:

COVERAGE NOT PURCHASED AS OF POLICY INCEPTION DATE

Principal Address:

Item 2. Policy Period: from 12:01 a.m. _____ to 12:01 a.m. _____
local time at the address set forth in Item 1. of the General Declarations

Item 3. Limit of Insurance: \$ _____ in the aggregate

Item 4. Deductible: \$ _____ each "claim"

Item 5. Retroactive Date: _____

Item 6. Prior and / or Pending Date: _____

Item 7. Total Annual Premium for this
Coverage Part: \$ _____

Part III Declarations - Trustee and Fiduciary Liability and Employee Benefits Administration Coverage

Item 1. Insured Entity:

COVERAGE NOT PURCHASED AS OF POLICY INCEPTION DATE

Principal Address:

Item 2. Policy Period: from 12:01 a.m. _____ to 12:01 a.m. _____
local time at the address set forth in Item 1. of the General Declarations

Item 3. Limit of Insurance: \$ _____ in the aggregate

Item 4. Deductible: \$ _____ each "claim"

Item 5. Retroactive Date: _____

Item 6. Prior and / or Pending Date: _____

Item 7. Total Annual Premium for this Coverage Part: \$ _____

These Declarations together with the completed "proposal", all applicable Coverage Parts, the General Provisions and any accompanying endorsements shall constitute the contract between the "policy insureds" and The Cincinnati Insurance Company.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Countersigned May 21, 2010 By John S. Timm, CK
(Date) (Authorized Representative)

In witness whereof, we have caused this policy to be signed by our President and Secretary. This policy shall not be valid unless countersigned by our duly authorized representative. This provision does not apply in Arizona, Virginia and Wisconsin.

Kenneth W. Stecher

Secretary

James E. Benoski

President

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BLUE CHIP POLICY DECLARATIONS

FORMS LIST

IA450F	11/87	BC105	05/06	IP446	08/01	BC429KS	05/06
BC456	01/08	BC463	08/03	IA4234	01/08	F3132A	06/83

NON - PROFIT ORGANIZATION BLUE CHIP POLICY

PART I

DIRECTORS, OFFICERS, TRUSTEES AND ORGANIZATION LIABILITY COVERAGE

In consideration of the payment of the premium, in reliance on all statements in the "proposal" and all other information provided to us and subject to all the provisions of this policy, including the General Declarations, the Part I Declarations and Coverage Part IV General Provisions, we and the "insureds" agree as set forth below.

SECTION I - INSURING AGREEMENT

We will pay on behalf of the "insureds" all "loss" which they shall be legally obligated to pay resulting from any "claim" first made during the "policy period", or any "extended reporting period" included in or endorsed to the policy, for a "wrongful act" committed, attempted or allegedly committed or attempted on or after the Retroactive Date, if any, set forth in the Part I Declarations and prior to the end of the "policy period".

We will have the right and duty to defend the "insureds" against any such "claim".

SECTION II - EXCLUSIONS

We are not liable to pay, indemnify or defend any "claim":

- A. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974 as amended or any rules, regulations or orders promulgated thereunder or any similar provisions of any federal, state or local statutory or common law in connection with any pension or welfare plan established for the benefit of employees of the "organization";
- B. Brought or maintained by, on behalf of or at the behest of any of the "insureds", or any entity under common control with the "organization"; provided, however, this exclusion does not apply to:
 1. Any "claim" brought or maintained as a derivative action on behalf of the "organization" by one or more persons who are not "directors, officers or trustees" and who bring and maintain the "claim" without the solicitation, assistance or participation of any of the "insureds" or any entity under common control with the "organization"; or
 2. Any "claim" brought or maintained by any of the "insureds" or any entity under common control with the "organization" for contribution or indemnity, if such "claim" for contribution or indemnity directly results from another "claim" covered by this Coverage Part;
- C. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any "wrongful act" in the discharge of the duties of any of the "insureds" as a director, officer, trustee, employee, volunteer or member of any entity other than the "organization", even if directed or requested to serve such other entity by the "organization"; provided, however, this exclusion shall not apply to the extent:
 1. Such "claim" is based on the service of any of the "directors, officers and trustees" as a director, officer, governor, trustee or in an executive position equivalent to the foregoing in any "outside organization" if the service is performed at the direction of the "organization"; and
 2. The "loss" resulting from such "claim" is not indemnified by the "outside organization" or any of its insurers;
- D. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of:
 1. The Securities Act of 1933 as amended or the Securities Exchange Act of 1934 as amended; or
 2. Any state Blue Sky or other state securities law applicable to publicly held shares; or
 3. Any rule, regulation or order issued pursuant to any of the statutes set forth in Exclusions II.D.1. or II.D.2. of this Coverage Part, or any federal or state common law concerning such acts, laws, rules, regulations or orders;
- E. For the return by any of the "insureds" of any remuneration paid to such "insureds" if payment of such remuneration shall be held by a court, or by a judgment or other final adjudication to have been in violation of law; or

- F. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any of the "insureds" or any person for whose actions the "insureds" are legally responsible gaining in fact any personal profit or advantage to which they were not legally entitled.

The "wrongful act" of any one of the "insureds" shall not be imputed to any other of the "insureds" for the purpose of determining the applicability of the above Exclusions.

SECTION III - LIMIT OF INSURANCE AND DEDUCTIBLES

- A. We will pay 100% of "loss" in excess of the applicable Deductible amount set forth in the Part I Declarations up to the Limit of Insurance set forth in the Part I Declarations.
- B. The Deductible shall apply only to, and be paid by, the "organization". Any "loss" paid by us within the Deductible shall be reimbursed by the "organization" within 30 days of our written request for such reimbursement.
- C. "Defense costs" shall be part of and not in addition to the Limit of Insurance set forth in the Part I Declarations. "Defense costs" we pay shall reduce the Limit of Insurance. "Defense costs" paid by the "organization" shall be applied against the Deductible.
- D. Our maximum aggregate liability for all "loss" resulting from all "claims" under this Coverage Part shall be the Limit of Insurance set forth in the Part I Declarations.

SECTION IV - DEFINITIONS

Where set forth in quotes in this Coverage Part, whether in singular or in plural, the following terms shall have the meanings indicated.

- A. "Claim" means any proceeding initiated against any of the "insureds" before any governmental body which is legally authorized to render an enforceable judgment or order for money damages or other relief, including any appeal from such proceeding.
- B. "Directors, officers and trustees" means:
1. All persons who were, now are, or shall become a duly elected or appointed director, officer or trustee of the "organization" or a "subsidiary"; and
 2. The lawful spouse of a director, officer or trustee, but only to the extent such person is a party to any "claim" solely in such person's capacity as a spouse of a director, officer or trustee of the "organization" or a "subsidiary" and only if the "claim" seeks damages recoverable from marital community property, property jointly held by the director, officer or trustee and the spouse, or property transferred from the director, officer or trustee to the spouse.
- C. "Employees, volunteers and members" means:
1. Any person who is a past or present employee, or a past or present committee member, whether or not they are or were salaried, of the "organization" or a "subsidiary"; and
 2. Past or present members or volunteers of the "organization" or a "subsidiary" while acting on behalf of the "organization" or a "subsidiary" in a voluntary capacity at the direction of the board of directors, or board of trustees.
- D. "Insureds" means:
1. The "organization";
 2. Any "subsidiary";
 3. "Directors, officers and trustees"; and
 4. "Employees, volunteers and members",
- including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.
- E. "Loss" means the total amount of monetary damages that the "insureds" become legally obligated to pay on account of all "claims" for a "wrongful act" with respect to which coverage hereunder applies, including damages, judgments, settlements, and "defense costs".
- "Loss" shall not include:
1. Taxes, criminal or civil fines, or penalties imposed by law;

2. Punitive or exemplary damages or any multiplied damage award in excess of the amount so multiplied;
 3. Any amounts other than "defense costs" which the "insureds" are obligated to pay as a result of a "claim" seeking relief or redress in any form other than monetary damages; or
 4. Any matter deemed uninsurable under the law pursuant to which this Coverage Part shall be construed.
- F. "Organization" means the entity listed as the "Insured Entity" under Item 1. of the Part I Declarations.
- G. "Outside organization" means any non-profit corporation, community chest, fund or foundation other than the "organization", which is described in Section 501(c)(3) of the Internal Revenue Code of 1986 as amended, and is exempt from federal income tax.
- H. "Subsidiary" means:
1. Any entity that is more than 50% owned by the "organization" directly or indirectly at the Coverage Part inception date; and
 2. Which is described in Section 501(c)(3) or 501 (c)(2) of the Internal Revenue Code of 1986 as amended, and is exempt from federal income tax.
- I. "Wrongful act" means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed, attempted or allegedly committed or attempted by any "insureds", but only while acting in their capacity as an "insured".

PART II
EMPLOYMENT PRACTICES LIABILITY COVERAGE

In consideration of the payment of the premium, in reliance on all statements in the "proposal" and all other information provided to us and subject to all provisions of this policy, including the General Declarations, the Part II Declarations and Coverage Part IV General Provisions, we and the "insureds" agree as set forth below.

SECTION I - INSURING AGREEMENT

We will pay on behalf of the "insureds" all "loss" which they shall be legally obligated to pay resulting from any "claim" first made during the "policy period", or any "extended reporting period" included in or endorsed to the policy, for a "wrongful act" committed, attempted or allegedly committed or attempted on or after the Retroactive Date, if any, set forth in the Part II Declarations and prior to the end of the "policy period" by an "insured" or any person for whose acts the "insured" is legally liable.

We will have the right and duty to defend the "insureds" against any such "claim".

SECTION II - EXCLUSIONS

This insurance does not apply to:

- A. "Loss" incurred by the "insured" in making physical changes, modifications, alterations, or improvements as part of an accommodation pursuant to the Americans With Disabilities Act or similar provisions of any federal, state or local statutory or common law; provided, however, this exclusion does not apply to "defense costs".
- B. Any "claim" based upon, arising out of, or attributable to any actual or alleged violation of any of the responsibilities, obligations, or duties imposed by the:
 - 1. Employee Retirement Income Security Act of 1974;
 - 2. Fair Labor Standards Act (except the Equal Pay Act);
 - 3. National Labor Relations Act (including the Labor Management Relations Act of 1947); or
 - 4. Worker Adjustment and Retraining Notification Act;
 - 5. Consolidated Omnibus Budget Reconciliation Act of 1985; or 6. Occupational Safety and Health Act, and any amendments to or rules, regulations or orders promulgated pursuant to these laws, or similar provisions of any federal, state, or local statutory or common law. However, this exclusion shall not apply to a "claim" for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged violation of the Fair Labor Standards Act or the Occupational Safety and Health Act by any "insured"; or
- C. Any "claim" based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged obligation of any "insured" under any workers' compensation, unemployment insurance, social security, disability benefits or similar law, or derivative actions arising out of any of these. However, this exclusion shall not apply to any "claim" for retaliatory treatment by an "insured" due to the exercise of rights granted under any such law.
- D. Any "claim" or "loss" alleging, arising out of, based upon, or attributable in any way to any "wrongful act" committed, attempted, or allegedly committed or attempted concurrent with or after a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations.

With respect to determining the applicability of the above Exclusions, no "wrongful act" or knowledge possessed by any "insured" shall be imputed to any other "insured" to determine if coverage is available, except that facts regarding a "wrongful act" or knowledge possessed by the level of management responsible for making policy with regard to a "wrongful act" will be imputed to the "insured entity".

SECTION III - LIMIT OF INSURANCE AND DEDUCTIBLE

- A. The Limits of Insurance shown in the Part II Declarations and the rules below fix the most we will pay regardless of the number of:
 - 1. "Insureds" under this Coverage Part;
 - 2. "Claims" made or suits brought on account of "wrongful acts" or otherwise; or
 - 3. Persons or organizations making "claims" or bringing suits.

- B. Our liability shall apply only to that part of each covered "loss" which is excess of the Deductible amount specified in the Part II Declarations and such Deductible amount shall be borne by the "insureds".
- C. "Defense costs" incurred by us or by the "insured" with our written consent are part of and not in addition to the Limit of Insurance set forth in the Part II Declarations. Our payment of "defense costs" reduces the Limit of Insurance.
- D. Our maximum aggregate liability for all "loss" resulting from all "claims" under this Coverage Part shall be the Limit of Insurance set forth in the Part II Declarations.

SECTION IV - SUPPLEMENTARY PAYMENTS

We will pay with respect to any "claim" we defend:

- A. The cost of any appeal bond, attachment bond, or any similar bond, but only for bond amounts within the applicable Limit of Insurance; provided, however, we do not have to apply for or furnish these bonds;
- B. All reasonable expenses incurred by the "insured" at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work;
- C. Prejudgment interest awarded against the "insured" on that part of the judgment we pay; provided, however, if we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer; and
- D. All interest awarded against the "insured" on that amount of any judgment we pay that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment which we pay and that is within the applicable Limit of Insurance.

These payments will not reduce the Limits of Insurance.

SECTION V - DEFINITIONS

Where set forth in quotes in this Coverage Part, whether in singular or in plural, the following terms shall have the meanings indicated.

- A. "Benefits" means perquisites, fringe benefits, payments in connection with an "employee" benefit plan and any other payment, other than salary or wages, to or for the benefit of an "employee" arising out of the employment relationship.
- B. "Claim" means a civil, administrative or arbitration proceeding commenced by the filing of a complaint or charge, which is brought by any past, present or prospective "employee(s)" of the "organization" against any of the "insureds" for a "wrongful act".
- C. "Directors, officers and trustees" means:
 - 1. All persons who were, now are, or shall become a duly elected or appointed director, officer or trustee of the "organization" or a "subsidiary"; and
 - 2. The lawful spouse of a director, officer or trustee, but only to the extent such person is a party to any "claim" solely in such person's capacity as a spouse of a director, officer or trustee of the "organization" or a "subsidiary" and only if the "claim" seeks damages recoverable from marital community property, property jointly held by the director, officer or trustee and the spouse, or property transferred from the director, officer or trustee to the spouse.
- D. "Employee" includes, but is not limited to, part-time, seasonal, volunteer or contingent workers as determined by federal, state or local law.
- E. "Employees, volunteers and members" means:
 - 1. Any person who is a past or present "employee", or is a past or present committee member, whether or not they are or were salaried, of the "organization" or a "subsidiary"; and
 - 2. Past or present members of the "organization" or a "subsidiary" while acting on behalf of the "organization" or a "subsidiary" in a voluntary capacity at the direction of the board of directors, or board of trustees.
- F. "Insureds" means:
 - 1. The "organization";
 - 2. Any "subsidiary";
 - 3. "Directors, officers and trustees"; and

4. "Employees, volunteers and members",

including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.

- G. "Loss" means the total amount of monetary damages which the "insureds" become legally obligated to pay on account of any "claim" for a "wrongful act" with respect to which coverage hereunder applies, including damages, judgments, settlements, and "defense costs".

"Loss" shall not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, any amount for which an "insured" is not financially liable, compensation earned in the course of employment but not paid by an "insured", or matters which are deemed uninsurable under the law pursuant to which this Coverage Part shall be construed.

"Loss" shall not include (other than "defense costs"):

1. "Benefits" or the equivalent value, however, this provision does not apply to "loss" resulting solely from wrongful termination of employment;
2. Amounts which arise out of, are based upon, or are attributable to the employment reinstatement of the claimant by an "insured" or the continued employment of the claimant;
3. Any amounts which the "insureds" are obligated to pay as a result of a "claim" seeking relief or redress in any form other than monetary damages; or
4. Front pay, future damages or other future economic relief or the equivalent thereof, if the "insured" is ordered in accordance with a judgment or other final adjudication but fails to reinstate the claimant as an "employee".

- H. "Organization" means the entity listed as the Insured Entity under Item 1. of the Part II Declarations.

- I. "Personal injury" means injury, other than bodily injury, arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Defamation of a past, present or prospective "employee";
3. Invasion of a past, present or prospective "employee's" right of privacy;
4. Malicious prosecution; or
5. Abuse of process.

- J. "Subsidiary" means:

1. Any entity that is more than 50% owned by the "organization" directly or indirectly at the Coverage Part inception date; and
2. Which is described in Section 501(c)(3) or 501(c)(2) of the Internal Revenue Code of 1986 as amended, and is exempt from federal income tax.

- K. "Wrongful act" means:

1. Wrongful termination of employment;
2. Breach of any oral or written employment contract, collective bargaining agreement or quasi-employment contract except:
 - a. For that part of any express contract of employment or an express obligation to make payments in the event of the termination of employment; or
 - b. To the extent the "insured" would have been liable in the absence of the collective bargaining agreement; or
3. Employment related misrepresentation; or
4. Violation of any federal, state or local law that concerns employment discrimination including sexual harassment involving unwelcome sexual advances, requests for sexual favors or other verbal or physical acts of a sexual nature that:
 - a. Are made a condition of employment; or
 - b. Are used as a basis for employment decisions; or

- c. Create a work environment that interferes with performance; or
- 5. Wrongful failure to employ or promote;
- 6. Wrongful discipline;
- 7. Wrongful deprivation of a career opportunity;
- 8. Negligent evaluation;
- 9. Employment related "personal injury";
- 10. Wrongful failure to grant tenure;
- 11. Employment related wrongful infliction of emotional distress; or
- 12. Violation of the Family Medical Leave Act,

Including any actual or alleged assault, battery, loss of consortium, negligent hiring, supervision, promotion or retention in connection with subparagraphs 1. through 12. above.

PART III
TRUSTEE AND FIDUCIARY LIABILITY
AND EMPLOYEE BENEFITS ADMINISTRATION COVERAGE

In consideration of the payment of the premium, in reliance on all statements in the "proposal" and all other information provided to us and subject to all the provisions of this policy, including the General Declarations, the Part III Declarations and Coverage Part IV General Provisions, we and the "insureds" agree as set forth below.

SECTION I - INSURING AGREEMENT

We will pay on behalf of the "insureds" all "loss" which they shall be legally obligated to pay resulting from any "claim" first made during the "policy period", or any "extended reporting period" included in or endorsed to the policy, for a "wrongful act" committed, attempted or allegedly committed or attempted on or after the Retroactive Date, if any, set forth in the Part III Declarations and prior to the end of the "policy period".

We will have the right and duty to defend the "insureds" against any such "claim".

SECTION II - EXCLUSIONS

A. We are not liable to pay, indemnify or defend any "claim":

1. Arising out of the failure to effect or maintain any insurance or bonds or to effect or maintain adequate limits of coverage of insurance or bond on the assets or obligations of the "plan";
2. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged obligation of any "insured" under any workers' compensation, unemployment insurance, social security, disability benefits or similar law;
3. Which also falls under Coverage Part II unless the "claim" is for discrimination in violation of the Employee Retirement Income Security Act of 1974 as amended; or
4. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the service of any of the "insureds" as a fiduciary or administrator of any plan other than the "plan" or the status of any of the "insureds" as a fiduciary of such other plan.

B. We are not liable to pay for or indemnify that part of "loss" other than "defense costs":

1. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the failure to collect contributions owed by an employer to the "plan" unless such failure is due to the negligence of any of the "insureds"; or
2. Which constitutes the return or reversion of any contributions or assets of the "plan" to an employer.

The "wrongful act" of any of the "insureds" shall not be imputed to any other of the "insureds" for the purpose of determining the applicability of the above Exclusions.

SECTION III - LIMIT OF INSURANCE AND DEDUCTIBLE

- A.** We will pay 100% of "loss" in excess of the Deductible amount set forth in the Part III Declarations up to the Limit of Insurance set forth in the Part III Declarations.
- B.** The Deductible amount set forth in the Part III Declarations shall apply to each and every "claim". The Deductible shall be paid by the "insureds".
- C.** "Defense costs" shall be part of and not in addition to the Limit of Insurance set forth in the Part III Declarations. "Defense costs" we pay shall reduce the Limit of Insurance. "Defense costs" paid by the "insureds" shall be applied against the Deductible.
- D.** Our maximum aggregate liability for all "loss" resulting from all "claims" under this Coverage Part shall be the Limit of Insurance set forth in the Part III Declarations.

SECTION IV - DEFINITIONS

Where set forth in quotes in this Coverage Part, whether in singular or in plural, the following terms shall have the meanings indicated.

A. "Administration" means:

1. Giving counsel to participants or beneficiaries of the "plan";

2. Interpreting the "plan";
 3. Handling records of the "plan"; and
 4. Effecting enrollment, termination, or cancellation of participants under the "plan".
- B.** "Claim" means any proceeding initiated against any of the "insureds" before any governmental body which is legally authorized to render an enforceable judgment or order for money damages or other relief, including any appeal from such proceeding. "Claim" shall not include any criminal proceeding or any internal appeal process provided for in the "plan" documents or otherwise required by law.
- C.** "Insureds" means:
1. The "plan";
 2. The "sponsor";
 3. Any past, present, or future director, officer, trustee or employee of the "sponsor" or of the "plan" while acting in their capacities as such; and
 4. Any individual trustee named in Item 9. of the "proposal" while acting in a fiduciary capacity for the "plan" provided such individual trustee is not prohibited by law from acting as a fiduciary and is not a firm, corporation, or partnership,
- including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.
- D.** "Loss" means the total amount of monetary damages which the "insureds" become legally obligated to pay on account of any "claim" for a "wrongful act" with respect to which coverage hereunder applies, including damages, judgments, settlements, and "defense costs".
- "Loss" shall not include:
1. Taxes, criminal or civil fines, or penalties imposed by law except for the 5% or less or 20% or less civil penalties imposed upon any of the "insureds" as a fiduciary under Sections 502(i) or 502(l), respectively, of the Employee Retirement Income Security Act of 1974 as amended;
 2. Punitive or exemplary damages or any multiplied damage award in excess of the amount so multiplied;
 3. Any matter deemed uninsurable under the law pursuant to which this Coverage Part shall be construed;
 4. Any amount for which the "insureds" are not financially liable whether the "insureds" are absolved from payment by any covenant, agreement, court order or otherwise;
 5. Benefits due or to become due under the terms of the "plan" except to the extent that recovery for such benefits is based on a "wrongful act" and the payment constitutes a personal obligation of the "insured"; or
 6. Any amounts other than "defense costs" which the "insureds" are obligated to pay as a result of a "claim" seeking relief or redress in any form other than monetary damages.
- E.** "Plan" means any employee benefit plan named in the "proposal" and all future plans provided the "insureds" provide written notice to us of the acquisition of such plan within 60 days of such acquisition and pay any additional premium required.
- F.** "Sponsor" means the "insured entity" and any "subsidiary".
- G.** "Subsidiary" means:
1. Any entity that is more than 50% owned by the "insured entity" of Coverage Part III directly or indirectly at the Coverage Part inception date; and
 2. Which is described in Section 501(c)(3) or 501(c)(2) of the Internal Revenue Code of 1986 as amended, and is exempt from federal income tax.
- H.** "Wrongful act" means:
1. Any actual or alleged breach of fiduciary duty, neglect, error, misstatement, misleading statement, omission or other act done or wrongfully attempted by the "insureds" in the discharge of their duties solely in their capacity as:

- a. A fiduciary of the "plan" (as the term fiduciary is defined in the Employee Retirement Income Security Act of 1974 and amendments thereto) in connection with the management and / or administration of the "plan" or assets of the "plan"; or
 - b. An authorized agent of the "sponsor" with respect to the "administration" of the "plan"; or
- 2. Any matter claimed against any of the "insureds" solely by reason of their fiduciary capacity with the "plan" or by reason of their capacity as authorized agent of the "sponsor" with respect to the "administration" of the "plan".

PART IV

GENERAL PROVISIONS APPLICABLE TO ALL COVERAGE PARTS FORMING THIS POLICY

Throughout this policy, the words "we", "us" and "our" refer to The Cincinnati Insurance Company.

SECTION I - EXCLUSIONS

We are not liable to pay, indemnify or defend any "claim":

- A. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
 - 1. The actual, alleged, or threatened discharge, dispersal, seepage, migration, emission, release or escape of "pollutants"; or
 - 2. Any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize "pollutants", including but not limited to "claims" alleging damage to a "policy insured";provided, however, this exclusion shall not apply to any "claim" under Coverage Part II for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of matters described in Exclusions I.A.1. or I.A.2. above;
- B. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
 - 1. Any "wrongful act" or any fact, circumstance or situation which has been the subject of any notice given prior to the "policy period" under any other policy; or
 - 2. Any other "wrongful act" whenever occurring, which, together with a "wrongful act" which has been the subject of such notice, would constitute "interrelated wrongful acts";
- C. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any of the "policy insureds" or any person for whose actions the "policy insureds" are legally responsible committing in fact any deliberately fraudulent, dishonest, criminal or malicious act or omission or willful or reckless violation of any statute, rule, regulation, agreement, or judicial or regulatory order;
- D. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any "wrongful act" committed, attempted or allegedly committed or attempted prior to the "policy period" of the applicable Coverage Part if:
 - 1. Prior to the earlier of the following dates:
 - a. The inception of the applicable Coverage Part, or
 - b. The inception of the original Coverage Part of which the applicable Coverage Part is a renewal or replacement,any of the "policy insureds" knew or should have reasonably foreseen that such "wrongful act" might be the basis of a "claim"; or
 - 2. There is a previous policy under which the "policy insureds" are entitled to coverage for such "claim", or would have been, except for the breach of a duty owed;
- E. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any prior and / or pending litigation as of the Prior and / or Pending Date stated in the Declarations for the applicable Coverage Part or any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, regardless of the legal theory asserted in such "claim";
- F. For actual or alleged:
 - 1. Bodily injury, sickness, disease, or death of any person, assault, battery, mental anguish, or emotional distress;
 - 2. "Property damage", including but not limited to physical injury, loss of or loss of use of currency or any negotiable or non-negotiable instruments or contracts representing money;
 - 3. Invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, false detention, abuse of process, malicious prosecution, libel, slander, defamation, or disparaging of a person's or organization's goods, products or services; or

4. Interference with or damage to business reputation;

provided, however, with respect to Coverage Part II, this exclusion shall apply only to "claims" for actual or alleged bodily injury, sickness, disease, or death of any person or "property damage";

G. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving legal liability assumed by any of the "policy insureds" under the terms, conditions or warranties of any oral or written contract or agreement, or by virtue of any waiver or release from liability of any third party, except to the extent:

1. The liability would have attached to any such "policy insureds" in the absence thereof; or
2. With respect to any "claim" under Coverage Part III, the liability was assumed in accordance with the agreement or declaration of trust pursuant to which the "plan" was established;

H. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the hazardous properties, including radioactive, toxic or explosive properties, of any nuclear material. Nuclear material means any source material, special nuclear material, or by-product materials as those terms are defined under the Atomic Energy Act of 1954 or any amendments thereto;

I. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving a "wrongful act" as defined in Coverage Part II. However, this exclusion shall not apply to any "claim" under Coverage Part II;

J. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving asbestos in any form or transmitted in any manner;

K. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the infringement of copyright, patent, trademark, trade secret or other intellectual property rights; or

L. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:

1. War, including undeclared or civil war;
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War and Military Action Exclusion supersedes Exclusion H. above.

With respect to determining the applicability of the above Exclusions, no "wrongful act" or knowledge possessed by any one of the "policy insureds" shall be imputed to any other of the "policy insureds" to determine if coverage is available, except that facts regarding a "wrongful act" or knowledge possessed by the level of management responsible for making policy with regard to a "wrongful act" will be imputed to the "insured entity".

SECTION II - LIMITS OF INSURANCE, DEDUCTIBLES, MULTIPLE CLAIMS AND EXHAUSTION

A. If a single "claim" is covered under more than one Coverage Part, then our maximum liability for all "loss" resulting from such "claim" shall be the largest applicable Limit of Insurance available under any one of the applicable Coverage Parts.

B. The Deductibles for each Coverage Part apply separately to the respective Coverage Parts. If a single "claim" is covered under more than one Coverage Part, the applicable Deductibles shall be applied separately to the part of the "claim" covered by each Coverage Part and the sum of the Deductibles so applied shall constitute the total Deductible for such "claim". Further, it is agreed that any costs incurred by us in recouping any portion of the deductible we have paid will be borne by the "insured entity".

C. If the aggregate Limit of Insurance for a particular Coverage Part is exhausted, then all of our obligations under that Coverage Part shall be deemed to be completely fulfilled and extinguished as of the date of such exhaustion.

- D. The Limits of Insurance of each Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" set forth in the Declarations of each respective Coverage Part, unless the "policy period" of the respective Coverage Part is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period of the respective Coverage Part for purposes of determining the Limits of Insurance.
- E. Regardless of the number of policies or Coverage Parts involved, all "claims" based upon or arising out of the same "wrongful act" or any "interrelated wrongful acts" shall be considered a single "claim". Each "claim" shall be deemed to be first made at the earliest of the following times:
1. When notice of the earliest "claim" arising out of such "wrongful act" or "interrelated wrongful acts" is received in writing by a "policy insured" or by us, whichever comes first; or
 2. When notice pursuant to Section V of the General Provisions of a "wrongful act" giving rise to such "claim" is given.
- F. In the event that more than one of the "policy insureds" is included in the same "claim", the total amount of "loss" resulting from such "claim" and the Deductible shall be apportioned pro-rata among the "policy insureds" in proportion to their respective "loss" unless otherwise mutually agreed upon by the "policy insureds" and us.

SECTION III - DUTIES OF THE POLICY INSURED IN THE EVENT OF A CLAIM

As conditions precedent to coverage under this policy:

- A. The "policy insureds" shall give us written notice of any "claim" made against any of the "policy insureds" for a "wrongful act" as soon as practicable, and shall give such information and cooperation as we may reasonably require, including but not limited to a description of the "claim", the nature of the alleged "wrongful act", the nature of the alleged injury, the names of the claimants, and the manner in which the "policy insureds" first became aware of the "claim". As soon as practicable, the "policy insureds" shall furnish us with copies of reports, investigations, pleadings and other papers in connection with the "claim".
- B. The "policy insureds" shall provide us with all information, assistance and cooperation which we reasonably request and agree that in the event of a "claim" the "policy insureds" will do nothing which may prejudice our position or our potential or actual rights of recovery.
- C. The "policy insureds" shall not settle any "claim", incur any "defense costs" or otherwise assume any obligation or admit any liability with respect to any "claim" without our prior written consent, which shall not be unreasonably withheld. We shall be entitled to full information and all particulars we may request in order to reach a decision as to such consent. We shall not be liable for any settlement, "defense costs", assumed obligation or admission to which we have not consented.

SECTION IV - DEFENSE, INVESTIGATION AND SETTLEMENT

- A. We will have the right and duty to defend the "policy insureds" against any "claim"; however, we will have no duty to defend the "policy insureds" against any "claim" seeking damages to which this insurance does not apply.
- B. We may make any investigation we deem necessary and may make any settlement of any "claim" we deem expedient.
- C. Our right and duty to defend end when we have used up the applicable Limit of Insurance in the defense or payment of damages, judgments or settlements of covered "claims".

SECTION V - NOTICE OF A WRONGFUL ACT

If prior to the end of the "policy period" of the applicable Coverage Part, any of the "policy insureds" first become aware of a specific "wrongful act" they believe is likely to give rise to a "claim", and if any of the "policy insureds" give us written notice as soon as practicable, but prior to the end of the "policy period" of the applicable Coverage Part, of:

- A. The specific "wrongful act";
- B. The injury or damage which has or may result therefrom; and
- C. The circumstances by which the "policy insureds" first became aware thereof,

then any "claim" subsequently made arising out of such "wrongful act" shall be deemed to have been made when notice of the "wrongful act" was first given.

SECTION VI - DIRECTION OF CORRESPONDENCE TO US

All notices and other materials provided to us pursuant to the terms of this policy shall be directed to:

Executive Risk Claims Manager
The Cincinnati Insurance Company
P.O. Box 145496
Cincinnati, OH 45250-5496

SECTION VII - PROPOSAL

The "proposal" is the basis of this policy and is incorporated in and constitutes a part of this policy. A copy of the "proposal" is attached hereto. It is agreed by the "policy insureds" that the statements in the "proposal" are their representations, that they are material and that this policy is issued in reliance upon the truth of such representations; provided, however, that except for material facts or circumstances known to any person who subscribed the Application Form, any misstatement or omission in the "proposal" in respect of a specific "wrongful act" or the knowledge of any of the "policy insureds" of any matter which such "policy insured" has reason to believe may give rise to a future "claim" shall not be imputed to any of the other "policy insureds" who is a natural person for purposes of determining the validity of this policy as to such other "policy insureds".

SECTION VIII - CHANGES IN EXPOSURE

A. Change in Ownership of Insured Entity

If during the "policy period" of the applicable Coverage Part:

1. An "insured entity" consolidates with or merges into another entity such that such "insured entity" is not the surviving entity;
2. Greater than 50% of the assets of an "insured entity" are sold; or
3. Another entity or person or group of entities and / or persons acting in concert acquires more than 50% ownership of an "insured entity",

then, subject to all the other provisions of this policy, coverage under the applicable Coverage Part shall continue to apply to such "insured entity" and its "insureds" until the end of the applicable "policy period" or any applicable "extended reporting period", but only with respect to "claims" for "wrongful acts" committed, attempted or allegedly committed or attempted prior to such transaction. The "named insured" shall give written notice to us as soon as practicable, but in no event later than 90 days after such transaction.

B. Cessation of Subsidiaries

If during the "policy period" of the applicable Coverage Part any entity ceases to be a "subsidiary" as defined in the applicable Coverage Part, then, subject to all the other provisions of this policy, coverage under the applicable Coverage Part shall continue to apply to such entity and its "insureds" until the end of the applicable "policy period" or any applicable "extended reporting period", but only with respect to "claims" for "wrongful acts" committed, attempted or allegedly committed or attempted prior to the date such entity ceases to be a "subsidiary". The "named insured" shall give written notice to us as soon as practicable, but in no event later than 90 days after the entity ceases to be a "subsidiary".

C. Termination of Plan

If prior to or during the "policy period" of Coverage Part III the "sponsor" terminates a "plan", then, subject to all the other provisions of this policy, coverage under Coverage Part III shall continue to apply to such "plan" and its "insureds" until the end of the applicable "policy period" or any applicable "extended reporting period", but only with respect to "claims" for "wrongful acts" committed, attempted or allegedly committed or attempted prior to the date such "plan" was terminated. The "named insured" shall give written notice to us as soon as practicable, but in no event later than 90 days after the "plan" is terminated.

D. Acquisition or Formation of Entity

If during the "policy period" of the applicable Coverage Part an "insured entity" newly acquires or forms another entity (other than a partnership, joint venture or limited liability company) over which such "insured entity" maintains more than 50% ownership and which has no other similar insurance available, for

the purpose of coverage under the Coverage Part applicable to such "insured entity", the newly acquired or formed entity shall be deemed to be an "insured entity". However,

1. Coverage is afforded only until the 90th day after the "insured entity" acquires or forms the entity or the end of the "policy period" of the applicable Coverage Part, whichever is earlier;
2. The newly formed or acquired entity must be described in Section 501(c)(3) or 501 (c)(2) of the Internal Revenue Code of 1986 as amended, and be exempt from federal income tax; and
3. Coverage does not apply to "claims" for "wrongful acts" committed, attempted or allegedly committed or attempted prior to the date the "insured entity" acquired or formed the entity unless we agree, after presentation of a complete application and all appropriate information, to provide coverage by endorsement for such "claims" and the "named insured" pays any additional premium we require for the endorsement.

SECTION IX - OTHER INSURANCE ISSUED BY ANOTHER INSURER

This insurance is primary except when all or any part of "loss" is also insured under any other prior or current policy. If any other insurance issued by another insurer (with the exception of insurance issued by us, any of our affiliated companies, or any of our predecessors or their affiliated companies) applies to any "claim", then this insurance is excess over that other insurance, whether primary, excess, contingent or on any other basis, unless that other insurance was purchased specifically to apply excess over the limits provided in this policy.

When this policy is excess:

- A. We will have no duty to defend any "claim" when any other insurer has that duty. If another insurer fails to defend and we incur costs as a result of such failure, we will be entitled to the "policy insureds'" rights against such other insurer; and
- B. We will pay only our share of the amount of the "loss", if any, that exceeds the sum of:
 1. The total amount that all such other insurance would pay for the "loss" in the absence of this policy; and
 2. The total of all deductible and self-insured amounts under all such other insurance.

SECTION X - MEDIATION AND ALLOCATION

- A. Any dispute including but not limited to tort claims or contract claims between a "policy insured" and us arising out of or relating to this policy shall be submitted to non-binding mediation prior to commencement of an action between the parties. The mediator shall be chosen by agreement. If the parties cannot agree upon a mediator, the mediator shall be chosen by the American Arbitration Association.
- B. If both "loss" covered by this policy and loss not covered by this policy are incurred, either because a "claim" against a "policy insured" includes both covered and uncovered matters or because a "claim" is made against both a "policy insured" and others, we and the "policy insureds" shall use our best efforts to agree upon a fair and proper allocation of such amount between covered "loss" and uncovered loss.
- C. If we and the "policy insureds" cannot agree as to matters in Section X.B. above prior to a judgment or finding in the civil or administrative proceeding dealing with "claims" against the "policy insureds", the parties agree that they will, to the extent it is within their control, require that the allocation between covered "loss" and uncovered loss is made in such civil or administrative proceeding. Such efforts shall include but are not limited to the submission of special interrogatories to the finder of fact in such proceeding. Such efforts shall not require us to become a party to such civil or administrative proceeding.
- D. Notwithstanding Section X.C. above, if we and the "policy insureds" cannot agree as to matters in Section X.B. above prior to a judgment or finding in any civil or administrative proceeding in which such issues are decided, we may at any time before or after mediation under Section X.A. above settle all "claims" against any or all "policy insureds". Following such settlement, any dispute between us and the "policy insureds" as to the proper allocation of covered and uncovered matters under Section X.B. above shall be submitted to non-binding mediation prior to the commencement of an action between the parties. In any event, only one mediation as to the same issues shall be required.

SECTION XI - ACTION AGAINST US

- A. No action shall be taken against us unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy and until the obligation of the "policy insureds" to pay shall have been finally determined, either by an adjudication against them or by written agreement of the "policy insureds", the claimant and us. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy

to the extent of the insurance afforded by this policy. Bankruptcy or insolvency of a "policy insured" or of a "policy insured's" estate shall not relieve us of any of our obligations hereunder.

- B. No person or organization shall have any right under this policy to join us as a party to any "claim". Neither the "policy insureds" nor their legal representative shall implead us in any "claim".

SECTION XII - SUBROGATION

In the event of any payment under this policy, we shall be subrogated to all of the rights to recovery of the "policy insureds" to the extent of such payment. The "policy insureds" shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents as may be necessary to enable us to effectively bring suit in the name of the "policy insureds".

SECTION XIII - CHANGES IN THIS POLICY

No change or modification of, or assignment of interest under this policy shall be effective except when made by us through a written endorsement to this policy.

SECTION XIV - CONFORMITY TO STATUTE

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

SECTION XV - ENTIRE AGREEMENT

By acceptance of this policy, we and the "policy insureds" agree that this policy (including the "proposal") and any written endorsements attached hereto constitute the entire agreement between the parties.

SECTION XVI - REPRESENTATION BY NAMED INSURED

The first "named insured" shall act on behalf of all of the "policy insureds" in purchasing this policy and for any purposes under the policy.

SECTION XVII - CANCELLATION OR NON-RENEWAL

- A. This policy or any of its Coverage Parts may be cancelled by the first "named insured" at any time by providing written notice to us or by surrendering this policy to us.
- B. This policy or any of its Coverage Parts may not be cancelled by us for any reason except for non-payment of premium when due. If we cancel the policy or any of its Coverage Parts, written notice shall be provided to the first "named insured" stating when, not less than 10 days thereafter, the cancellation shall be effective. Such notice may be provided by certified mail, other first class mail, facsimile, or courier, at the address stated in Item 1. of the General Declarations, or by delivery. The dispatch of notice shall be sufficient proof of notice and the coverage that is the subject of the cancellation notice shall terminate at the date and hour specified in such notice.
- C. If this policy or any of its Coverage Parts are cancelled:
1. By the first "named insured", we shall retain the customary short-rate portion of the premium; or
 2. By us or on our behalf, we shall retain the pro-rata portion of the applicable premium. Payment or tender by us of any unearned premium shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.
- D. If we elect not to renew this policy or a particular Coverage Part, we shall provide the first "named insured" with no less than 60 days advance notice.
- E. If any of the foregoing periods of limitation relating to the giving of notice are prohibited or made void by any law controlling the construction thereof, such periods shall be amended so as to equal the minimum period of limitation permitted by such law.

SECTION XVIII - EXTENDED REPORTING PERIODS

- A. Upon termination of any of the Coverage Parts for any reason, other than cancellation for nonpayment of premium, we may provide one or more "Extended Reporting Periods" as described below.
- B. The "Extended Reporting Periods" do not extend the "policy period" or change the scope of coverage provided. They extend the "claims" reporting period.
- C. The "Extended Reporting Periods" extend coverage to "claims" first made during the length of time covered by the applicable "Extended Reporting Period" provided the "wrongful act" was committed, attempted or allegedly committed or attempted prior to the end of the "policy period" of the applicable Cov-

erage Part, and all such "claims" shall be subject to all other terms, conditions and exclusions of the applicable Coverage Part and the General Provisions. Such "claims" must be reported in writing to us prior to the expiration of the applicable "Extended Reporting Period".

- D. A 60-day Basic "Extended Reporting Period" is automatically provided without additional charge. The Basic "Extended Reporting Period" starts immediately after the end of the "policy period" of the applicable Coverage Part.

The Basic "Extended Reporting Period" does not reinstate or increase the Limits of Insurance of the applicable Coverage Part. Our total liability shall not exceed the Limit of Insurance shown in the applicable Declarations for the last consecutive annual period and / or any remaining period of less than 12 months in which coverage is provided hereunder.

- E. A 12-month Supplemental "Extended Reporting Period" may be available, but only by endorsement and for an extra premium charge. This supplemental period starts when the Basic "Extended Reporting Period", as set forth in Section XVIII.D. above, ends. The first "named insured" must give us a written request for the Supplemental "Extended Reporting Period" within 60 days of the termination of this insurance. The Supplemental "Extended Reporting Period" will not go into effect unless the first "named insured" pays the additional premium promptly when due.

If the Supplemental "Extended Reporting Period" endorsement is in effect, we will provide a Supplemental Aggregate Limit of Insurance, but only for "claims" first made during the Supplemental "Extended Reporting Period". The Supplemental Aggregate Limit of Insurance will be equal to the dollar amount of the aggregate Limit of Insurance shown in the Declarations for the applicable Coverage Part.

We will determine the additional premium charge for the Supplemental "Extended Reporting Period" in accordance with our rules and rates. In doing so, we may take into account the following:

1. The exposure insured;
2. Previous types and amounts of insurance; and
3. Other related factors.

The additional premium will not exceed 200% of the expiring annual premium for the applicable Coverage Part.

The Supplemental "Extended Reporting Period" endorsement shall set forth any terms that differ from the basic coverage applicable to the Supplemental "Extended Reporting Period".

- F. Any "Extended Reporting Period" will immediately terminate on the effective date and hour of any other insurance issued to the "policy insureds" which replaces this insurance. If the first "named insured" notifies us of the effective date of the other insurance, we will send the first "named insured" a refund of any pro-rata unearned premium.

SECTION XIX - COVERAGE TERRITORY

This policy applies to any "claim" for a "wrongful act" committed, attempted or allegedly committed or attempted anywhere.

SECTION XX - DEFINITIONS

Where set forth in quotes in this policy, whether in singular or in plural, the following terms shall have the meanings indicated. Any other terms set forth in quotes in the General Provisions will have the meanings indicated in the applicable Coverage Parts.

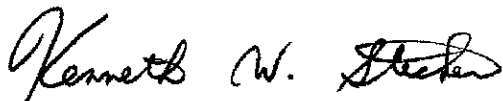
- A. "Defense costs" means reasonable and necessary fees, costs, and expenses incurred by us or with our consent on behalf of the "policy insureds" or reimbursed to any of the "policy insureds" by us, resulting solely from the investigation, adjustment, defense and appeal of any "claim".

"Defense costs" shall not include:

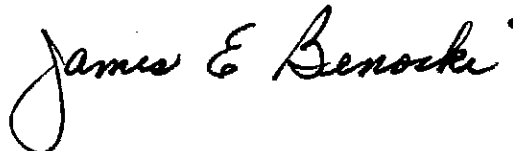
1. With respect to Coverage Part II only, expenses explicitly provided for under Section IV of Coverage Part II;
2. Salaries, wages, fees, overhead or expenses of our employees or any "policy insureds", directors, officers, trustees or employees, other than that portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim"; or
3. Any amount covered by the duty to defend obligation of any other insurer.

- B. "Extended reporting period" means the periods of time described in Section XVIII of the General Provisions.
- C. "Insured entity" means with respect to the coverage under a particular Coverage Part, the entity named in Item 1. of the respective Declarations for such Coverage Part.
- D. "Interrelated wrongful acts" means all causally connected "wrongful acts".
- E. "Named insured" means the entity named in Item 1. of the General Declarations.
- F. "Policy insureds" means the natural persons and entities insured under each respective Coverage Part for which coverage is set forth in the Declarations for the policy, but shall not include any current or past partnership, joint venture or limited liability company unless such partnership, joint venture or limited liability company is shown as an "insured entity" in the Declarations of the applicable Coverage Part.
- G. "Policy period" means the period from the inception date to the expiration date as set forth in Item 2. of the Part I, Part II and Part III Declarations, or to the earlier date of cancellation of the applicable Coverage Part.
- H. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals, petroleum products and their by-products and waste. Waste includes material to be recycled, reconditioned or reclaimed.
- "Pollutants" include but are not limited to substances that are generally recognized in industry or government to be harmful or toxic to persons, property or the environment.
- I. "Property damage" means:
1. Injury or damage, of any nature, to tangible or intangible property, including all resulting loss of use of that property; or
 2. Loss of or loss of use of tangible or intangible property that is not otherwise injured or damaged.
- J. "Proposal" means:
1. The Application Form for this policy and any applications for any policies for which this policy provides renewal coverage in whole or in part; and
 2. Any materials submitted with the Application Form and such applications, which shall be maintained on file with us and shall be deemed to be attached hereto as if physically attached.

In witness whereof, we have caused this policy to be signed by our President and Secretary. This policy shall not be valid unless countersigned on the Declarations by our duly authorized representative. This provision does not apply in Arizona, Virginia and Wisconsin.



Secretary



President

THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY
THE CINCINNATI INDEMNITY COMPANY

NOTICE TO POLICYHOLDERS

Please be advised that in your application for insurance you disclosed information to The Cincinnati Insurance Company, The Cincinnati Casualty Company and The Cincinnati Indemnity Company. The information disclosed in the application and all information subsequently collected by any of these companies may be shared among all three.

ENDORSEMENT

No. _____

Attached to and Forming Part of Policy No.

BCP 867 55 12

Effective date of Endorsement

06-01-2010

Issued to

Northwood Trails Homes Association

BLUE CHIP POLICY CHANGES - KANSAS

This endorsement modifies insurance provided under the following:

**BLUE CHIP POLICY
FINANCIAL INSTITUTIONS BLUE CHIP POLICY
HEALTH CARE INSTITUTIONS BLUE CHIP POLICY
PUBLICLY TRADED COMPANY BLUE CHIP POLICY
NON - PROFIT ORGANIZATION BLUE CHIP POLICY**

- A.** The following is added to **SECTION VII - PROPOSAL** of the **GENERAL PROVISIONS APPLICABLE TO ALL COVERAGE PARTS FORMING THIS POLICY**:

No statement made by or on behalf of the "policy insureds", whether contained in the "proposal" or otherwise, shall be deemed to be a warranty of anything except that it is true to the best of the knowledge and belief of the person making the statement.

- B.** **SECTION XVII - CANCELLATION OR NON-RENEWAL** of the **GENERAL PROVISIONS APPLICABLE TO ALL COVERAGE PARTS FORMING THIS POLICY** is deleted in its entirety and replaced by the following:

SECTION XVII - CANCELLATION OR NON-RENEWAL

- A.** The first "named insured" may cancel this policy or any of its Coverage Parts by mailing or delivering to us advance written notice of cancellation.
- B.** We may cancel this policy or any of its Coverage Parts by mailing or delivering to the first "named insured" written notice of cancellation, stating the reasons for cancellation, at least:

1. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
2. 30 days before the effective date of cancellation if we cancel for any other reason.

If this policy has been in effect for 90 days or more, or if it is a renewal of a policy we issued, we may cancel this policy or any of its Coverage Parts only for one or more of the following reasons:

1. Nonpayment of premium;
2. This policy was issued because of material misrepresentation;
3. The "named insured" or any other insured violated any of the material terms and conditions of this policy;
4. Unfavorable underwriting factors, specific to the "named insured" or any other insured, exist that were not present at the inception of this policy;
5. A determination by the insurance commissioner that continuation of coverage could place us in a hazardous financial condition or in violation of the laws of Kansas; or
6. A determination by the insurance commissioner that we no longer have adequate reinsurance to meet our needs.

- C.** We will mail or deliver our notice to the first "named insured's" last mailing address known to us.

- D. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- E. If this policy or any of its Coverage Parts is cancelled, we will send the first "named insured" any premium refund due. If we cancel, the refund will be pro rata. If the first "named insured" cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- F. If notice is mailed, proof of mailing will be sufficient proof of notice.
- G. If we elect not to renew this policy or a particular Coverage Part, we will mail or deliver written notice of nonrenewal, stating the reasons for nonrenewal, to the first "named insured" at least 60 days prior to the expiration of the policy. Any notice of nonrenewal will be mailed or delivered to the first "named insured's" last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
- H. We shall provide to the first "named insured" a written explanation specifically detailing the reasons why we cancelled or denied renewal of this policy or any of its Coverage Parts. There shall be no liability on the part of and no cause of action of any nature shall arise against us, our authorized representative, our agents, our employees, or any firm, person or corporation furnishing to us information as to reasons for cancellation or denial of renewal of this policy or any of its Coverage Parts, for any statement made by any of them in any written notice of cancellation or denial of renewal of this policy or any of its Coverage Parts, or the providing of information pertaining thereto, or for statements made or evidence submitted at any hearings conducted in connection therewith, if such information was provided in good faith and without malice.

All other provisions of the policy remain unchanged except as herein expressly modified.

ENDORSEMENT

No. _____

Attached to and Forming Part of Policy No.

BCP 867 55 12

Effective date of Endorsement

06-01-2010

Issued to

Northwood Trails Homes Association

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

**BLUE CHIP POLICY
FINANCIAL INSTITUTIONS BLUE CHIP POLICY
HEALTH CARE INSTITUTIONS BLUE CHIP POLICY
PUBLICLY TRADED COMPANY BLUE CHIP POLICY
NON - PROFIT ORGANIZATION BLUE CHIP POLICY**

The **GENERAL PROVISIONS APPLICABLE TO ALL COVERAGE PARTS FORMING THIS POLICY** is amended as follows:

I. SECTION XX - DEFINITIONS is amended to include the following:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

II. SECTION XXI - APPLICATION OF OTHER EXCLUSIONS is added:

The terms and limitations of any terrorism exclusion, or the inapplicability, omission or absence of a terrorism exclusion does not serve to create coverage for any "loss" which would otherwise be excluded under this policy, such as "losses" excluded by:

1. Exclusions that address war, warlike action, insurrection, rebellion, revolution, military action, nuclear hazard, nuclear materials, nuclear reaction, radiation, or radioactive contamination;
2. Exclusions that address pollutants, contamination, deterioration, fungi or bacteria; or
3. Any other exclusion,

regardless if the "certified act of terrorism" contributes concurrently or in any sequence to the "loss".

III. SECTION XXII - CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM is added:

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

IV. SUNSET CLAUSE

If the federal Terrorism Risk Insurance Act expires or is repealed, then this endorsement is null and void for any act of terrorism that takes place after the expiration or repeal of the Act.

All other provisions of the policy remain unchanged except as herein expressly modified.

ENDORSEMENT

No. _____

Attached to and Forming Part of Policy No.

BCP 867 55 12

Effective date of Endorsement

06-01-2010

Issued to

Northwood Trails Homes Association

DEFENSE OUTSIDE LIMITS - PART I

This endorsement modifies insurance provided under the following:

NON - PROFIT ORGANIZATION BLUE CHIP POLICY (PART I - DIRECTORS, OFFICERS, TRUSTEES AND ORGANIZATION LIABILITY COVERAGE)

I. SECTION III - LIMIT OF INSURANCE AND DEDUCTIBLES is deleted and replaced by the following:

- A.** We will pay 100% of "damages" in excess of the applicable Deductible amount set forth in the Part I Declarations up to the Limit of Insurance set forth in the Part I Declarations.
- B.** The Deductible shall apply only to, and be paid by, the "organization". Any "loss" paid by us within the Deductible shall be reimbursed by the "organization" within 30 days of our written request for such reimbursement.
- C.** "Defense costs" is in addition to and is not part of the Limit of Insurance set forth in the Part I Declarations. Payment of "defense costs" by us incurred due to a "claim" shall not serve to reduce the Limit of Insurance set forth in the Part I Declarations, but we are not obligated to pay any "defense costs" after the Limit of Insurance set forth in the Part I Declarations has been exhausted by payment of "damages". "Defense costs" paid by the "organization" shall be applied against the deductible.
- D.** Our maximum aggregate liability for all "damages" resulting from all "claims" under this Coverage Part shall be the Limit of Insurance set forth in the Part I Declarations.

II. SECTION IV - DEFINITIONS is amended as follows:

A. Definition E. "Loss" is deleted and replaced by the following:

E. "Loss" means "damages" and "defense costs". However, "loss" shall not include:

- 1.** Taxes, criminal or civil fines, or penalties imposed by law;
- 2.** Punitive or exemplary damages or any multiplied damage award in excess of the amount so multiplied;
- 3.** Any amounts other than "defense costs" which the "insureds" are obligated to pay as a result of a "claim" seeking relief or redress in any form other than monetary damages; or
- 4.** Any matter deemed uninsurable under the law pursuant to which this Coverage Part shall be construed.

B. The following definition is added:

"Damages" means monetary damages that the "insureds" become legally obligated to pay on account of any "claim" for a "wrongful act" with respect to which coverage hereunder applies, including damages, judgments and settlements. However, "damages" shall not include:

- 1.** Taxes, criminal or civil fines, or penalties imposed by law;
- 2.** Punitive or exemplary damages or any multiplied damage award in excess of the amount so multiplied; or
- 3.** Any amounts which the "insureds" are obligated to pay as a result of a "claim" seeking relief or redress in any form other than monetary damages.

All other provisions of the policy remain unchanged except as herein expressly modified.

POLICYHOLDER NOTICE

TERRORISM INSURANCE COVERAGE

Your policy (or the policy proposed to you) contains coverage for certain losses caused by terrorism.

Premium:

In accordance with the federal Terrorism Risk Insurance Act, we are required to notify you of the portion of the premium, if any, attributable to the coverage for terrorist acts certified under the Terrorism Risk Insurance Act.

- The portion of your premium that is attributable to coverage for terrorist acts certified under the Act is
\$ 0

Federal Participation:

The Act also requires us to provide disclosure of federal participation in payment of terrorism losses.

- Under your policy, any losses caused by certified acts of terrorism would be partially reimbursed by the United States Government, Department of Treasury, under a formula established by federal law. Under this formula, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Cap on Insurer Participation:

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

NOTE: THIS NOTICE IS PROVIDED TO SATISFY THE REQUIREMENTS UNDER THE TERRORISM RISK INSURANCE ACT FOR POLICYHOLDER DISCLOSURE: (1) AT THE TIME OF OUR OFFER OF COVERAGE AND (2) AT THE TIME COVERAGE IS ISSUED.

THE CINCINNATI INSURANCE COMPANY

ENDORSEMENT

No. _____

Attached to and Forming Part of Policy No. BCP – 8675512	Issued to: Northwood Trails Homes Association	Effective date of Endorsement: 06-01-2010
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NON-PROFIT BLUE CHIP BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

NON-PROFIT ORGANIZATION BLUE CHIP POLICY

It is hereby understood and agreed that coverage is amended by the following:

PART I – DIRECTORS, OFFICERS, TRUSTEES AND ORGANIZATION COVERAGE

Final Adjudication

SECTION II - EXCLUSIONS, F. is deleted in its entirety and replaced with the following:

- F. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any of the "insureds" or any person for whose actions the "insureds" are legally responsible gaining in fact any personal profit or advantage to which they were not legally entitled.

However, this exclusion applies after a final adjudication has been given by any court of law or regulatory body.

Broadened Definition of "Claim" (D&O)

SECTION IV - DEFINITIONS, A. is deleted in its entirety and replaced with the following:

A. "Claim" means:

1. any proceeding initiated against any of the "insureds" before any governmental body which is legally authorized to render an enforceable judgment or order for money damages or other relief, including any appeal from such proceeding, or
2. a civil, administrative, or regulatory investigation, or
3. a written demand for monetary damages or other relief.

Punitive Damages Coverage (D&O)

SECTION IV - DEFINITIONS, E. is deleted in its entirety and replaced with the following:

- E.** "Loss" means the total amount of monetary damages which the "insureds" become legally obligated to pay on account of any "claim" for a "wrongful act" with respect to which coverage hereunder applies, including damages, judgments, settlements, and "defense costs".
1. "Loss" shall include punitive or exemplary damages or the multiplied portion of any multiplied damage award in any "claim" if such damages are insurable under the law pursuant to which this policy shall be construed. It is further understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiplied portion of any multiplied damage award.
 2. "Loss" shall not include:
 - a. Taxes, criminal fines, or penalties imposed by law; or
 - b. Any amounts other than "defense costs" which the "insureds" are obligated to pay as a result of a "claim" seeking relief or redress in any form other than monetary damages; or
 - c. Any matter deemed uninsurable under the law pursuant to which this Coverage Part shall be construed.

Excess Benefits Transaction Penalties Coverage

SECTION IV – DEFINITIONS, E. is hereby amended to include the following:

"Loss" shall also mean any 10% "excess benefit" tax assessed by the Internal Revenue Service against any "insureds" pursuant to 26 USC Section 4958 (a)(2) for participation by management in an excess benefit transaction.

"Loss" shall not include any 25% "excess benefit" tax assessed by the Internal Revenue Service against any "insureds" as a "disqualified person" or any 200% "excess benefit" tax for failure to correct the award of the "excess benefit" pursuant to 26 USC Sections 4958 (a)(1) and (b), respectively.

For purposes of this endorsement, "disqualified person", "excess benefit" and "excess benefit transaction" shall be defined as those terms are defined in Section 4958 of the Internal Revenue Code.

PART II – EMPLOYMENT PRACTICES LIABILITY COVERAGE

Broadened Definition of “Claim” (EPLI)

SECTION V - DEFINITIONS, B. is amended as follows:

The following phrase: ““Claim” means a civil, administrative or arbitration proceeding commenced by the service of a complaint or charge, which is brought by any past, present, or prospective “employee(s)” of the “insured entity” against any “insured” for:” is hereby deleted and replaced with the following:

“Claim” means a written demand for monetary damages or other relief or a civil, administrative or arbitration proceeding commenced by the service of a complaint or charge, which is brought by any past, present, or prospective “employee(s)” of the “insured entity” against any “insured” for:

Punitive Damages Coverage (EPLI)

SECTION V - DEFINITIONS, G. is amended as follows:

The second paragraph of the definition of “loss” is hereby deleted and replaced by the following paragraphs:

“Loss” shall include punitive or exemplary damages or the multiplied portion of any multiplied damage award in any “claim” if such damages are insurable under the law pursuant to which this policy shall be construed. It is further understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiplied portion of any multiplied damage award.

“Loss” shall not include civil or criminal fines or penalties imposed by law, any amount for which an “insured” is not financially liable, compensation earned in the course of employment but not paid by an “insured”, or matters which are deemed uninsurable under the law pursuant to which this Coverage Part shall be construed.

PART III – TRUSTEE AND FIDUCIARY LIABILITY AND EMPLOYEE BENEFITS ADMINISTRATION COVERAGE

Broadened Definition of "Claim" (TFL)

SECTION IV - DEFINITIONS, B. is deleted in its entirety and replaced with the following:

B. "Claim" means:

1. any proceeding initiated against any of the "insureds" before any governmental body which is legally authorized to render an enforceable judgment or order for money damages or other relief, including any appeal from such proceeding, or
2. a civil, administrative, or regulatory investigation, or
3. a written demand for monetary damages or other relief.

"Claim" shall not include any criminal proceeding or any internal appeal process provided for in the "plan" documents or otherwise required by law.

Punitive Damages Coverage (TFL)

SECTION IV - DEFINITIONS, D. is deleted in its entirety and replaced with the following:

D. "Loss" means the total amount of monetary damages which the "insureds" become legally obligated to pay on account of any "claim" for a "wrongful act" with respect to which coverage hereunder applies, including damages, judgments, settlements, and "defense costs".

1. "Loss" shall include punitive or exemplary damages or the multiplied portion of any multiplied damage award in any "claim" if such damages are insurable under the law pursuant to which this policy shall be construed. It is further understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiplied portion of any multiplied damage award.
2. "Loss" shall not include:
 - a. Taxes, criminal fines, or penalties imposed by law except for the 5% or less or 20% or less civil penalties imposed upon any of the "insureds" as a fiduciary under Sections 502(i) or 502(l), respectively, of the Employee Retirement Income Security Act of 1974 as amended; or
 - b. Any matter deemed uninsurable under the law pursuant to which this Coverage Part shall be construed; or
 - c. Any amount for which the "insureds" are not financially liable whether the "insureds" are absolved from payment by any covenant, agreement, court order or otherwise; or
 - d. Benefits due or to become due under the terms of the "plan" except to the extent that recovery for such benefits is based on a "wrongful act" and the payment constitutes a personal obligation of the "insured".

Omnibus Wording

SECTION IV - DEFINITIONS, E. is deleted in its entirety and replaced with the following:

- E. "Plan" means any employee benefit plan sponsored, operated, maintained or administered by the "sponsor" with the exception of any "Employee Stock Ownership Plan" unless that "Employee Stock Ownership Plan" is named in the "proposal". Any newly acquired "Employee Stock Ownership Plan" will be considered for coverage provided the "insureds" provide written notice of such plan and pay any additional premium required.

SECTION IV – DEFINITIONS is amended to add the following:

- I. "Employee Stock Ownership Plan" means any "plan" so defined in Section 407(d)(6)(A) of the Employee Retirement Income Security Act of 1974 including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation.

PART IV – GENERAL PROVISIONS APPLICABLE TO ALL COVERAGE PARTS FORMING THIS POLICY

Final Adjudication

SECTION I - EXCLUSIONS, C. is deleted in its entirety and replaced with the following:

- C. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any of the "policy insureds" or any person for whose actions the "policy insureds" are legally responsible committing in fact any deliberately fraudulent, dishonest, criminal or malicious act or omission or willful or reckless violation of any statute, rule, regulation, agreement, or judicial or regulatory order;

However, this exclusion applies after a final adjudication has been given by any court of law or regulatory body.

Soft "Hammer" Clause

SECTION IV - DEFENSE, INVESTIGATION AND SETTLEMENT, B. is deleted in its entirety and replaced with the following:

- B. We may make any investigation we deem necessary and may, with the consent of the "policy insureds" named in connection with the "claim", make any settlement of any "claim" we deem expedient. If the "policy insureds" withhold consent to such settlement, our liability for all "loss" in connection with such "claim" shall not exceed the amount for which we could have settled such "claim" plus 70% of such "loss", including "defense costs", excess the first settlement amount, which have accrued up to the date such settlement was proposed in writing by us to the "policy insureds" subject to the provisions concerning Limits of Insurance, Multiple Claims and Deductibles of this policy.

Automatic Coverage for Newly Acquired Subsidiaries (less than 25%)

SECTION VIII - CHANGES IN EXPOSURE, ITEM D., 1. is deleted in its entirety and replaced with the following:

1. For subsidiaries whose assets are greater than 25 percent of the assets of the "insured entity", coverage is afforded only until the 90th day after the "insured entity" acquires or forms the entity or the end of the "policy period" of the applicable Coverage Part, whichever is earlier. All acquired or formed entities whose assets are less than or equal to 25 percent of the assets of the "insured entity" shall be automatically afforded coverage until the end of the "policy period"; and

All other provisions of the policy remain unchanged except as herein expressly modified.

Date Issued: _____ The Cincinnati Insurance Company

By: _____

(Authorized Representative)