

**LEXINGTON INSURANCE COMPANY**

(Wilmington, Delaware)

(A Stock Insurance Company herein called the "Company")

Administrative Offices: 100 Summer Street, Boston, MA 02110

**APPLICATION FOR  
MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE  
for  
Low Income Housing Tax Credit Professional Liability**

**NOTICE:** This is an application for **CLAIMS MADE INSURANCE**. Such insurance, if accepted by the Company, applies only to claims first made against the Insured during the Policy Period and may additionally limit any coverage applicable to negligent acts, committed prior to the inception of

Instructions to the applicant:

- A. Please answer all the questions. The information is required to make an underwriting and pricing evaluation. Your answers hereunder are considered legally material to that evaluation.
- B. If a question is not applicable, state N/A. If more space is required to answer a question please attach exhibit with question number.
- C. Application must be signed and dated by authorized person.
- D. PLEASE ATTACH THE FOLLOWING:

Recent annual financial statements or Form 10K

Sample tax credit offering or term sheet used for investors or syndication

Sample Land Use Restriction Agreement

1. Name of Applicant:

\_\_\_\_\_

2. Main Address:

\_\_\_\_\_

No.

Street

\_\_\_\_\_

City

State

Zip Code

3. Names of all subsidiaries of affiliates for which coverage is desired:

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4. Date applicant was established \_\_\_\_\_

5. During the past 5 years has the name of the applicant been changed or has any other business been purchased, merged or consolidated with the firm? \_\_\_\_ Yes \_\_\_\_ No  
If yes, please explain below or in an attachment:

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6. Describe the policies and procedures in place for screening and verifying income of tenants. \_\_\_\_\_

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7. How often are you required to recertify tenant income?

\_\_\_\_ Annually \_\_\_\_ Semi-Annually \_\_\_\_ Other (describe) \_\_\_\_\_

8. Describe the policies and procedures in place to ensure that recertification documentation is completed and filed in timely manner. \_\_\_\_\_

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9. Total number of Low Income Housing Tax Credit properties for which you seek coverage: \_\_\_\_\_

10. Total number of low income units for all properties for which you seek coverage:

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11. Total aggregate amount of Low Income Housing Tax Credits for all properties for which you seek coverage: \$\_\_\_\_\_

12. Please list your three largest properties by tax credit value:

<u>Location/Address</u>	<u>Type of property</u>	<u>Total number of low income units</u>	<u>Total value of tax credits</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

13. Has the manager/general partner obtained LIHTC compliance certification such as Housing Credit Certified Professional (HCCP), National Compliance Professional (NCP) or similar?  Yes  No  
If yes, please list certification(s): \_\_\_\_\_  
\_\_\_\_\_
14. Please give names of any professional organizations or associations of which the firm or its principals are members:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
15. Are your financial statements audited on an annual basis?  Yes  No
16. Name of applicant's accounting firm:  
\_\_\_\_\_
17. Has the firm or any of its principals, partners, officers or directors been the subject of any disciplinary action by any governmental body or professional association within the past 5 years?  Yes  No  
If yes, please give details and advise present status of any individuals involved:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
18. Have any lawsuits or claims been made against the applicant firm, its predecessors, subsidiaries, partners, officers, or employees during the last 5 years?  Yes  No  
If so, attach exhibit giving (a) date and description of claim, (b) present status, (c) amount of defense expense and liability paid, if closed, (d) amount reserved for defense expenses and liability, if file not closed.
19. After inquiry, is Applicant firm or its partners, officers, employees, or subsidiaries aware of any actual or alleged errors, omissions, offenses, or circumstances which may reasonably be expected to result in a claim being made against the Applicant or any proposed Insured person or entity?  Yes  No  
If yes, provide details \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

20. List any similar insurance carried during the past five years.  
 If none check here:  *NONE*

Policy Period	Insurer	Claims made coverage? "Yes or No"	Limit/Deductible/Premium

21. Has any application for similar insurance made on behalf of the Applicant or any or any of its predecessors in business been declined or has any such insurance ever been rescinded, cancelled or has renewal been refused?  Yes  No

22. Limit of Liability desired:
- \$1,000,000       \$2,000,000       \$3,000,000       \$5,000,000
- Others \$ \_\_\_\_\_

23. Self-Insured Retention desired: \$ \_\_\_\_\_ each claim (Minimum \$25,000)

THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY, NOR DOES IT OBLIGATE THE COMPANY TO ISSUE A POLICY OR INSURE ANY SERVICES. HOWEVER, IT IS AGREED THAT SHOULD A POLICY BE ISSUED, THIS APPLICATION WILL BE ATTACHED TO AND MADE A PART OF THE POLICY.

NOTICE:

THE LIMIT OF LIABILITY IN THE POLICY, IF ISSUED, MAY BE REDUCED OR COMPLETELY EXHAUSTED BY CLAIM COSTS AND/OR LEGAL DEFENSE. IN SUCH EVENT, THE COMPANY SHALL NOT BE LIABLE FOR ANY JUDGEMENT, SETTLEMENT OR CLAIM COSTS OR LEGAL DEFENSE COSTS WHICH ARE IN EXCESS OF THE LIMITS OF LIABILITY STATED ON THE DECLARATIONS PAGE OF THE POLICY.

THE UNDERSIGNED(S) CERTIFIES THAT HE/SHE IS THE DULY AUTHORIZED REPRESENTATIVE(S) OF EACH PROPOSED INSURED WHICH SUBMITS THIS APPLICATION TO THE LEXINGTON INSURANCE COMPANY FOR A POLICY OF INSURANCE. THE STATEMENTS AND INFORMATION ABOVE AND ALL SCHEDULES AND DOCUMENTS SUBMITTED OF WHICH THE UNDERWRITER RECEIVES NOTICE, ARE DEEMED PARTS OF THE APPLICATION (ALL OF WHICH SCHEDULES AND DOCUMENTS SHALL BE DEEMED ATTACHED TO THE POLICY AS IF PHYSICALLY ATTACHED THERETO), AND THE WORD "APPLICATION" REFERS TO ALL OF THE FOREGOING.

EACH PROPOSED INSURED REPRESENTS THAT THE STATEMENT SET FORTH IN THE APPLICATION ARE TRUE AND CORRECT, AND THAT REASONABLE EFFORTS HAVE BEEN MADE TO OBTAIN INFORMATION SUFFICIENT FOR ACCURATE PROPOSED INSURED THAT EACH POLICY OR RENEWAL THEREOF, IF ISSUED, IS ISSUED IN RELIANCE UPON THE TRUTH OF THE REPRESENTATIONS AND INFORMATION IN THE APPLICATION.

EACH PROPOSED INSURED UNDERSTANDS AND AGREES THAT ANY INSURANCE POLICY ISSUED BY THE COMPANY SHALL BE SUBJECT TO RESCISSION OF THIS APPLICATION CONTAINS ONE OR MORE MISREPRESENTATIONS OR OMISSIONS MATERIAL TO THE ACCEPTANCE OF THE RISK BY THE COMPANY.

IF THE INFORMATION SUPPLIED ON THIS APPLICATION OR ATTACHMENTS THERETO CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE INCEPTION DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE COMPANY OF SUCH CHANGES.

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SIGNED BY AUTHORIZED OFFICER,  
PARTNER, OR PRINCIPAL

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DATE