



Bond No. 71118402

# Western Surety Company

## DISHONESTY BOND

Item 1. Name of Insured: York Place Homeowners Association

Principal Address Box 618, Saline, MI 48176

(the "Insured")

Item 2. Bond Period: From noon on the 01 day of June, 2011, to noon on the effective date of the cancellation or termination of this Bond, standard time, at the Principal Address as to each of said dates.

Item 3. Limit of liability: \$ 50,000.00

### INSURING AGREEMENT

The Underwriter, in consideration of the payment of the premium, and subject to the Declarations made a part hereof, the General Agreements, Conditions and Limitations, and other terms of this Bond, agrees to indemnify the Insured against any loss of money or other property which the Insured shall sustain or for which the Insured shall incur liability through any fraudulent or dishonest act or acts committed by any of the Employees, acting alone or in collusion with others, the amount of indemnity on each of such Employees being the amount stated in Item 3 of the Declarations.

### GENERAL AGREEMENTS

#### CONSOLIDATION-MERGER

A. If, through consolidation or merger with, or purchase of assets of, some other concern, any persons shall become Employees, the Insured shall give the Underwriter written notice thereof and shall pay an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

#### JOINT INSURED

B. If more than one Insured is covered under this Bond, the Insured first named shall act for itself and for every other Insured for all purposes of this Bond. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Sections 6, 7, and 12, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in Section 12 shall apply to every Insured. If, prior to the cancellation or termination of this Bond in its entirety, this Bond is cancelled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within two years from the date of such cancellation or termination. The liability of the Underwriter for loss sustained by any or all of the Insured shall not exceed the amount for which the Underwriter would be liable had all such loss been sustained by any one of the Insured. Payment by the Underwriter to the Insured first named of any loss under this Bond shall fully release the Underwriter on account of such loss. If the Insured first named ceases for any reason to be covered under this Bond, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Bond.

#### LOSS UNDER PRIOR BOND OR POLICY

C. If the coverage of this Bond is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, cancelled or allowed to expire as of the time of such substitution, the Underwriter agrees that this Bond applies to loss which is discovered as provided in Section 1 of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:

- (1) the indemnity afforded by this General Agreement C shall be a part of and not in addition to the amount of insurance afforded by this Bond;
- (2) such loss would have been covered under this Bond had this Bond with its agreements, limitations and conditions as of the time of such substitution been in force when the acts or defaults causing such loss were committed; and
- (3) recovery under this Bond on account of such loss shall in no event exceed the amount which would have been recoverable under this Bond in the amount for which it is written as of the time of such substitution, had this Bond been in force when such acts or defaults were committed, or the amount which would have been recoverable under such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.