

Hartford Regional Office
111 Founders Plaza
East River Drive
East Hartford, Connecticut 06108

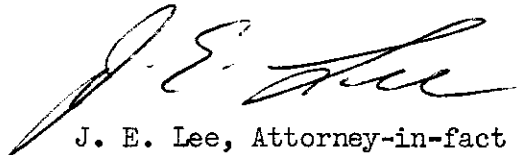


THE HARTFORD

INTERPRETATIVE LETTER #1

It is hereby understood and agreed that the seven (7) Commissioners of the Rhode Island Housing and Mortgage Finance Corporation, who are non-compensated are included in the definition of "Employee" as that term is defined in Public Employee Blanket Bond #4196546.

Such Commissioners therefore are considered to be within the scope of coverage of the Blanket Bond stated herein, however, according to the terms and conditions of such bond.


J. E. Lee, Attorney-in-fact

May 31, 1974
Approved
Richard L. Israel
Attorney General

PUBLIC EMPLOYEES BLANKET BOND

Revised to May, 1958

HARTFORD ACCIDENT AND INDEMNITY COMPANY

Hartford, Connecticut

(A Stock Insurance Company, Herein Called Surety)

Bond No. 4196546

DECLARATIONS

Item 1. Name of Obligee:

State of Rhode Island

Item 2. Name of Insured:

Rhode Island Housing & Mortgage Finance Corporation

Item 3. Bond Period: from the beginning of September 26, 1973

(Month, Day, Year)

to 12 o'clock night on the effective date of the cancelation or termination of this Bond as an entirety.

Item 4.

Table of Limits of Liability

Insuring Agreement 1 Honesty Blanket Bond Coverage \$ Nil

Insuring Agreement 2 Honesty Blanket Position Bond Coverage \$ Nil

Insuring Agreement 3 Faithful Performance Blanket Bond Coverage \$ Nil

Insuring Agreement 4 Faithful Performance Blanket Position Bond Coverage \$ 50,000.00

May 31, 1974
Approved.
Richard J. Donah
Attorney General

Item 5. The liability of the Surety is subject to the terms of the following riders attached hereto:

Rider #1 Additional Indemnity

Item 6. The Oblige and the Insured by the acceptance of this Bond give notice to Surety terminating or canceling prior bond(s) No.(s)

such termination or cancelation to be effective as of the time this Bond becomes effective.

Signed, sealed and dated this 26th

day of

September

, 19 73

HARTFORD ACCIDENT AND INDEMNITY COMPANY

Attest J.E. Lee

By: Mac B. Leavitt, Attorney-in-fact

PUBLIC EMPLOYEES BLANKET BOND

HARTFORD ACCIDENT AND INDEMNITY COMPANY

Hartford, Connecticut

BOND No. 4196546

OBLIGEE State of Rhode Island

INSURED Rhode Island Housing & Mortgage Finance Corporation



The Surety, in consideration of the payment of the premium, and subject to the Declarations made a part hereof, the General Agreement, Conditions and Limitations and other terms of this Bond, agrees, in accordance with such of the Insuring Agreements hereof as are specifically designated by the insertion of an amount of indemnity in the Table of Limits of Liability, to indemnify the Obligor for the use and benefit of the Insured for:

INSURING AGREEMENTS

HONESTY BLANKET BOND COVERAGE

1. Loss sustained by the Insured through any fraudulent or dishonest act or acts committed by any of the Employees, acting alone or in collusion with others, during the Bond Period, to an amount not exceeding in the aggregate the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement 1.

HONESTY BLANKET POSITION BOND COVERAGE

2. Loss sustained by the Insured through any fraudulent or dishonest act or acts committed by any of the Employees, acting alone or in collusion with others, during the Bond Period, the amount of indemnity on each of such Employees being the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement 2.

FAITHFUL PERFORMANCE BLANKET BOND COVERAGE

3. Loss caused to the Insured through the failure of any of the Employees, acting alone or in collusion with others, to perform faithfully his duties or to account properly for all monies and property received by virtue of his position or employment during the Bond Period to an amount not exceeding in the aggregate the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement 3.

FAITHFUL PERFORMANCE BLANKET POSITION BOND COVERAGE

4. Loss caused to the Insured through the failure of any of the Employees, acting alone or in collusion with others, to perform faithfully his duties or to account properly for all monies and property received by virtue of his position or employment during the Bond Period, the amount of indemnity on each of such Employees being the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement 4.

GENERAL AGREEMENT

LOSS UNDER PRIOR BOND

If the coverage of an Insuring Agreement of this Bond is substituted for any prior bond carried by the Insured or by any predecessor in interest of the Insured which prior bond is terminated, canceled or allowed to expire as of the time of such substitution, the Surety agrees that such Insuring Agreement applies to loss sustained by, or caused to, the Insured, as the case may be, prior to or during the Bond Period, provided that such loss is discovered after the beginning of the Bond Period and prior to the expiration of three years from the cancellation of this Bond as an entirety and that such loss would have been recoverable by the Insured or such predecessor under such prior bond except for the fact that the time within which to bring suit, action or proceeding of any kind thereunder had expired, and provided further:

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

THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENT ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

DEFINITIONS

SECTION 1. The following terms, as used in this Bond, shall have the respective meanings stated in this Section:

"Employee" as used in Insuring Agreements 1 and 2 means a person while in the employ of the Insured during the Bond Period who is not required by law to give bond conditioned for the faithful performance of his duties and who is a member of the staff or personnel of the Insured but does not mean any Treasurer or Tax Collector by whatever title known.

"Employee" as used in Insuring Agreements 3 and 4 means a person while in the employ of the Insured during the Bond Period who is not required by law to furnish an Individual Bond to qualify for office and who is a member of the staff or personnel of the Insured but does not mean any Treasurer or Tax Collector by whatever title known.

UNIDENTIFIABLE EMPLOYEE

SECTION 2. In case a loss is alleged to have been caused to the Insured through acts or defaults by an Employee covered under an applicable Insuring Agreement of this Bond, while such Insuring Agreement is in full force and effect and the Insured shall be unable to designate the specific Employee causing such loss, the Insured shall nevertheless have the benefit of such Insuring Agreement provided that the evidence submitted reasonably establishes that the loss was in fact caused by such Employee through such acts or defaults and provided, further, that regardless of the number of such Employees concerned or implicated in such loss, the aggregate liability of the Surety for any such loss shall not exceed the amount stated in Item 4 of the Declarations applicable to such Insuring Agreement.

EXCLUSION

SECTION 3. This Bond does not cover any loss sustained by, or caused to, the Insured under circumstances whereby and to the amount which the Obligor or the Insured voluntarily undertakes or is obligated by law to exonerate or indemnify any of the Employees against liability incurred by them in the performance of their duties.

LIMITS OF LIABILITY

SECTION 4. Indemnification by the Surety for any loss under Insuring Agreement 1 or 3 shall not reduce the Surety's liability for other losses under the applicable Insuring Agreement, whenever sustained; provided, however, that the Surety's total liability under each such Insuring Agreement for any loss caused by any Employee or in which such Employee is concerned or implicated is limited to the applicable amount of indemnity specified in the Table of Limits of Liability.

Indemnification by the Surety for any loss under Insuring Agreement 2 or 4 shall not reduce the Surety's liability for other losses under the applicable Insuring Agreement, whenever sustained; provided, however, the Surety's total liability under each such Insuring Agreement as to each Employee is limited to the applicable amount of indemnity specified in the Table of Limits of Liability.

Regardless of the number of years this Bond shall continue in force and the number of premiums which shall be payable or paid, the limit of the Surety's liability as specified in the Table of Limits of Liability shall not be cumulative from year to year or period to period.

LIMIT OF LIABILITY UNDER THIS BOND AND ANY PRIOR BOND

SECTION 5. With respect to loss under Insuring Agreement 1 or 3 caused by any Employee or in which such Employee is concerned or implicated or which is chargeable to such Employee as provided in Section 2 of this Bond and with respect to loss under Insuring Agreement 2 or 4 caused by any Employee or which is chargeable to such Employee as provided in Section 2 of this Bond and with respect to loss under any Insuring Agreement which occurs partly during the Bond Period and partly during the period of other bonds issued by the Surety to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period specified therein for bringing suit, action or proceeding of any kind, or if no such period is specified therein, then within the period prescribed by the applicable statute of limitations, has not expired at the time such loss thereunder is discovered, the total liability of the Surety under this Bond and under such other bonds shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this Bond on such loss or the amount available to the Insured under such other bonds, as limited by the terms and conditions thereof, for any such loss if the latter amount be larger.

FIDELITY DEPARTMENT

Hartford Accident and Indemnity Company

HARTFORD, CONNECTICUT

RIDER 1

To be attached to and form part of Bond No. 4196546

Obligee State of Rhode Island

Insured Rhode Island Housing & Mortgage Finance Corporation

It is agreed that:

1. Additional indemnity, in accordance with the terms of such of the Insuring Agreements in force under the attached bond as are specifically designated opposite the following positions, respectively, is granted by this rider on Employees performing the duties of such positions, to the amount set opposite the names of such positions, respectively.

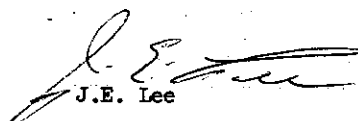
2. The liability of the Surety under this rider on account of any one Employee in any one or more of such positions (in the original or an increased or decreased amount) shall not exceed the largest single amount of indemnity on any one position occupied by such Employee.

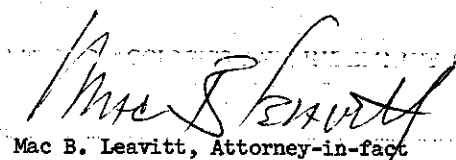
3. No losses shall be recoverable under this rider unless caused by an Employee who has been identified as having caused such loss, anything to the contrary in said bond or this rider notwithstanding.

Position	Location	Insuring Agreement	Total Number of Employees in each Position	Amount of Additional Indemnity on each Employee
Executive Director	Providence, Rhode Island	4	1	\$50,000.00

May 31, 1974
Approved
Richard J. Brad
Attorney General

This rider is effective as of
9/26/73


J.E. Lee


Mac B. Leavitt, Attorney-in-fact

CANCELATION

SECTION 6. This Bond shall be deemed canceled as to any Employee:

- (a) Immediately upon discovery by the Oblige or the Insured of any act on the part of such Employee which would constitute a liability of the Surety under the applicable Insuring Agreement covering such Employee;
- (b) Upon the death, resignation or removal of such Employee; or
- (c) At 12 o'clock night upon the effective date specified in a written notice mailed to the Oblige and the Insured. Such date shall be not less than thirty days after the date of mailing. The mailing by the Surety of notice as aforesaid to the Oblige and the Insured shall be sufficient proof of notice. Delivery of such written notice by the Surety shall be equivalent to mailing.

This Bond may be canceled by the Oblige or the Insured by mailing to the Surety written notice stating when thereafter the cancellation shall be effective. This Bond may be canceled by the Surety by mailing to the Oblige and the Insured written notice stating when, not less than thirty days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice either by the Oblige or the Insured

or by the Surety shall be equivalent to mailing. If the Oblige or the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Surety cancels, earned premium shall be computed pro rata. Premium adjustments may be made at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

If any of the cancellation provisions set forth in either or both of the foregoing paragraphs of this Section are prohibited or made void by any law controlling the construction of this Bond, such provisions to the extent they are so prohibited or made void shall be deemed to be nullified and of no effect.

LEGAL PROCEEDINGS

SECTION 7. No suit, action or proceeding of any kind to recover on account of loss under this Bond shall be brought after the expiration of three years from the cancellation of this Bond as an entirety provided, however, that if such limitation for bringing suit, action or proceeding is prohibited or made void by any law controlling the construction of this Bond, such limitation shall be deemed to be amended so as to be equal to the minimum period of the limitation permitted by such law.

In Witness Whereof, the Surety has caused this Bond to be executed on the Declarations page.

DEPARTMENT OF STATE
OFFICE OF
SECRETARY OF STATE
PROVIDENCE, R. I.

RECEIVED & FILED MAY 31 1974