

**ARCH SPECIALTY INSURANCE COMPANY
300 FIRST STAMFORD PLACE
STAMFORD, CONNECTICUT 06902**

COMMON POLICY DECLARATIONS

Policy Number:

Renewal of:

INSURED'S NAME & ADDRESS

PRODUCER'S NAME & ADDRESS

TRINITY E&S INSURANCE SERVICES
79-301 COUNTRY CLUB DRIVE
SUITE 200
BERMUDA DUNES CA 92201

POLICY PERIOD: From:

To:

AT 12:01 a.m. Standard Time at your mailing address shown above.

IN RETURN FOR THE PAYMENT OF PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

FORM OF NAMED INSURED'S BUSINESS:

Individual Partnership Joint Venture Organization (other than partnership or joint venture) Corporation

Business Description

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S) FOR WHICH A PREMIUM IS INDICATED. THIS POLICY IS SUBJECT TO AUDIT.

COVERAGE PARTS	PREMIUM
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COMMERCIAL GENERAL LIABILITY COVERAGE PART:

TAXES:

FEES:

INSPECTION FEE:

TOTAL: MINIMUM AND DEPOSIT

BY: _____

INITIALS:

TYPING DATE:

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION TOGETHER WITH THE COVERAGE PART, COVERAGE FORMS AND ENDORSEMENTS ISSUED TO AND FORMING A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

SUPPLEMENTAL DECLARATIONS

Policy Number

LIMITS OF INSURANCE:

EACH OCCURRENCE LIMIT	\$	
GENERAL AGGREGATE LIMIT	\$	
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$	
PERSONAL AND ADVERTISING INJURY	\$	
MEDICAL EXPENSE LIMIT	\$	ANY ONE PERSON
DAMAGE TO PREMISES RENTED TO YOU LIMIT (ANY ONE PREMISES)	\$	

SCHEDULE OF PREMISES/SITES:

PREMISES	ADDRESS	CITY	STATE	ZIP
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PREMIUM:

DESCRIPTION	CLASS CODE	PREMIUM BASIS <small>(sales)</small>	RATES		ADVANCE PREMIUM	
			Prod/Co	Prem/Ops	Prod/Co	Prem/Ops
DESCRIPTION	CLASS CODE	PREMIUM BASIS	RATES		ADVANCE PREMIUM	
			Prod/Co	Prem/Ops	Prod/Co	Prem/Ops
DESCRIPTION	CLASS CODE	PREMIUM BASIS	RATES		ADVANCE PREMIUM	
			Prod/Co	Prem/Ops	Prod/Co	Prem/Ops
DESCRIPTION	CLASS CODE	PREMIUM BASIS	RATES		ADVANCE PREMIUM	
			Prod/Co	Prem/Ops	Prod/Co	Prem/Ops

TOTAL ADVANCE PREMIUM

SCHEDULE OF FORMS AND ENDORSEMENTS

Policy Number:

Insured Name:

FORMS ATTACHED TO AND MADE A PART OF THIS POLICY AT INCEPTION
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MANDATORY

RRIC-CGL-DEC1 (5/02)	<input checked="" type="checkbox"/>	DECLARATIONS PAGE
RRIC-CGL-DEC2 (5/02)	<input checked="" type="checkbox"/>	SUPPLEMENTAL DECLARATIONS PAGE
RRIC-CGL-SCH (04/11)	<input checked="" type="checkbox"/>	SCHEDULE OF FORMS AND ENDORSEMENTS
05 ML0002 00 06 06	<input checked="" type="checkbox"/>	SIGNATURE PAGE
00 GL0468 00 04 08	<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
00 GL0467 00 04 08	<input checked="" type="checkbox"/>	CONTRACTORS SPECIAL CONDITIONS
RRIC-CGL-E2 (5/02)	<input checked="" type="checkbox"/>	COURSE OF ROOFING EXCLUSION
00 GL0309 00 12 06	<input checked="" type="checkbox"/>	MINIMUM RETAINED PREMIUM ENDORSEMENT
00 GL0229 00 04 08	<input checked="" type="checkbox"/>	EXCLUSION – OPERATIONS COVERED BY WRAP/OCIP
RRIC-CGL-E1000 (11/04)	<input checked="" type="checkbox"/>	CLAIMS REPORTING
00 ML0065 00 06 07	<input checked="" type="checkbox"/>	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE
00 GL0516 00 07 08	<input checked="" type="checkbox"/>	BLANKET PRIMARY INSURANCE ENDORSEMENT / NON-CONTRIBUTORY
00 GL0558 00 04 09	<input checked="" type="checkbox"/>	CONSTRUCTION MATERIALS HAZARD EXCLUSION
00 GL0565 00 08 09	<input checked="" type="checkbox"/>	AMENDMENT OF CONDITIONS - NOTICE OF CANCELLATION
CG 21 35 10 01	<input checked="" type="checkbox"/>	EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

OPTIONAL

RRIC-CGL-E4 (5/04)	<input type="checkbox"/>	PER CLAIM DEDUCTIBLE
RRIC-CGL-E5 (05/02)	<input type="checkbox"/>	SERVICE OF SUIT
RRIC-CGL-E5-WA (10/06)	<input type="checkbox"/>	SERVICE OF SUIT – MULTI STATE
RRIC-CGL-E6 (5/02)	<input checked="" type="checkbox"/>	BLANKET ADDITIONAL INSURED ENDORSEMENT
RRIC-CGL-E9 (5/02)	<input type="checkbox"/>	GENERAL CHANGE ENDORSEMENT
RRIC-CGL-E12 (7/03)	<input type="checkbox"/>	RESIDENTIAL DEVELOPMENT EXCLUSION
RRIC-CGL-E13 (5/02)	<input type="checkbox"/>	OPERATIONS IN STATES OTHER THAN CALIFORNIA
RRIC-CGL-E16 (07/05)	<input type="checkbox"/>	STOP GAP – EMPLOYERS LIABILITY COVERAGE
00 GL0228 00 05 06	<input type="checkbox"/>	ENDORSEMENT - WASHINGTON
00 GL0330 10 02 07	<input type="checkbox"/>	WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US
00 GL0340 00 03 07	<input type="checkbox"/>	FLORIDA CHANGES – CANCELLATION AND NON-RENEWAL ENDORSEMENT
00 GL0341 00 03 07	<input type="checkbox"/>	BLANKET WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US
00 GL0353 00 08 07	<input type="checkbox"/>	DESIGNATED CONSTRUCTION PROJECTS(S)
00 GL0515 00 07 08	<input type="checkbox"/>	GENERAL AGGREGATE LIMIT
CG 21 70 01 08	<input type="checkbox"/>	DESIGNATED OPERATIONS EXCLUSION
CG 21 73 01 08	<input type="checkbox"/>	CONTINUOUS INSURED ENDORSEMENT – DISCRETE LOSSES
CG 20 12 07 98	<input type="checkbox"/>	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
00 GL0675 00 03 11	<input type="checkbox"/>	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
	<input type="checkbox"/>	ADDITIONAL INSURED – STATE OR POLITICAL SUBDIVISIONS – PERMITS
	<input type="checkbox"/>	AMENDMENT PERMITTING LIMITED CONDOMINIUM OR TOWNHOUSE LIABILITY COVERAGE

RRIC-CGL-SCH (04/11)



Signature Page

YOUR COMPLETE POLICY CONSISTS OF THE POLICY JACKET WITH THE COVERAGE FORMS, DECLARATIONS, AND ENDORSEMENTS, IF ANY.

IN WITNESS WHEREOF, **Insurer** has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.

A handwritten signature in black ink that reads "Mark D. Lyons".

Mark D Lyons
President

A handwritten signature in black ink that reads "Martin J. Nilsen".

Martin J. Nilsen
Secretary

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This is a manuscript Policy and contains provisions restricting Coverage. Please review all the terms and conditions of this Policy carefully and discuss any questions with your Insurance Representative.

Throughout this policy the words **you** and **your** refer to the **Named Insured** shown in the Declarations, and any other person or organization qualifying as a **Named Insured** under this policy. The words **we**, **us** and **our** refer to the company providing this insurance.

The word **insured** means the **Named Insured** and any person or organization qualifying as an **Insured** under WHO IS AN **INSURED** (SECTION II).

Other words and phrases that appear in bold face have special meanings as set forth in SECTION V (DEFINITIONS) or as elsewhere defined in this Policy.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. INSURING AGREEMENT

a. **We** will pay those sums that an **insured** becomes legally obligated to pay as **tort damages** for **bodily injury** or **property damage** to which this insurance applies. **We** have the right and duty to defend the **insured** against any **suit** seeking **tort damages** provided that no other insurance affording a defense against such a suit is available to the **insured**. **Our** duty to defend the **insured** is further limited as provided below or in the Section of the policy entitled "EXCLUSIONS: COVERAGES A AND B". **We** will have no duty to defend any **insured** against any **suit** seeking damages for **bodily injury** or **property damage** to which this insurance does not apply. **We** may at **our** discretion investigate any **occurrence** and settle any **claim** or **suit** that may result.

- (1) The amount **we** will pay for **tort damages** is limited as described in LIMITS OF INSURANCE (SECTION III).
- (2) Subject to (1) above, **our** right and duty to defend end when **we** have used up the applicable limit of insurance by payment of judgments or settlements under Coverages A or B or Medical Expenses under Coverage C.
- (3) In those cases in which **we** have no duty to defend, we have the **right**, at our sole election, to intervene in any suit for which a defense or indemnity has been requested by **you**. **You** will not object to our intervention in the **suit** and **you** agree that our right to defend may be subject to any reservations of rights that are applicable. In any case in which **we** intervene, **we** will also defend **you** if **you** are not being defended by any other insurer.

(4) If **we** defend **you** against a **suit** and **your** indemnitee is also named as a party to the **suit**, **we** will defend that indemnitee only if all of the following conditions are met:

- (a.) The **suit** against the indemnitee seeks **tort damages** for which **you** have assumed the liability of the indemnitee in a contract or agreement that is an **insured contract**;
- (b.) This insurance applies to such liability assumed by **you**;
- (c.) The obligation to defend or the cost of the defense of that indemnitee has also been assumed by **you** in the same **insured contract**;
- (d.) The indemnitee and **you** ask us to conduct and control the defense of that indemnitee against such **suit** and agree that **we** can assign the same counsel to defend **you** and the indemnitee; and
- (e.) The allegations in the suit and the facts known to you and the indemnitee are such that no conflict exists between your interest and the interest of the indemnitee or you and the indemnitee have waived any such conflicts, or any potential conflicts, to the satisfaction of the same counsel you have agreed will defend you and the indemnitee. In the event defense counsel later determines a conflict has arisen, **we** may withdraw our agreement to defend.
- (f.) The indemnitee agrees in writing to be bound by the section of this Policy entitled "INSURED'S DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT" (Section IV.6.).

b. This insurance applies to **bodily injury** and **property damage** only if:

- (1) The **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**; and
- (2) The **bodily injury** or **property damage** is caused by an **occurrence** which takes place during the **policy period** whether or not such **occurrence** is known to any **insured**; and
- (3) The **bodily injury** or **property damage** resulting from such **occurrence** first takes place during the **policy period**.

c. All **bodily injury** or **property damage** arising from an **occurrence** shall be deemed to first take place at the time of the first such **bodily injury** or **property damage**, regardless of the date of manifestation of such **bodily injury** or **property damage**, even though the **occurrence** giving rise to such damage may be continuous or repeated exposure to the same generally harmful conditions, and even though the nature, type or extent of such **bodily injury** or **property damage** may be continuous, progressive, cumulative, changing or evolving. If the date of the first **bodily injury** or **property damage** cannot be determined, then the date of first damage or injury shall be deemed to be the earliest date on which the process which led to the injury or damage began.

d. For purposes of c., above, all **bodily injury** or **property damage** included within the **products-completed operations** hazard arising from **your work** on or **your product** supplied to or incorporated into a construction project or development shall be deemed to take place at the time of the first **bodily injury** or **property damage** arising from **your work** or **your products** supplied to or incorporated in such project, unless such later occurring **bodily injury** or **property damage** solely and exclusively arises from an **occurrence** which is abrupt and of limited duration, the **bodily injury** and **property damage** is accidental, unintended and unforeseen from the standpoint of the **insured** at the time of such **bodily injury** or **property damage**, and does not result, in whole or in part, from a continuous or repeated exposure to conditions beginning before the **policy term** nor from a condition which caused **bodily injury** and **property damage** before the **policy term**.

e. Our duty to defend you is further limited as follows:

- (1) **We** shall have no duty to defend any suit in which it is alleged or claimed, in whole or in part, that any **bodily injury** or **property damage** is continuous or progressive in nature or results from continuous or repeated exposure to a condition, unless the **suit** specifically alleges that all of the **bodily injury** and **property damage** for which damages are sought first occurred during the **policy period** or during a period that is within the effective dates of any consecutive policy issued by **us** to **you**.
- (2) **We** shall have no duty to defend any **suit** filed before the **policy period** begins, even though **you** were not a party to such **suit** at the time it was filed.
- (3) Where a **suit** is based in whole or in part upon **bodily injury**, **personal injury** or **property damage**, liability for which is excluded by Exclusions F, O, S, V, W, X, Y, AA, BB, DD, and II, **we** shall have the right, but not the obligation,

to defend said **suit**. When **we** do not elect to defend **you** in such **suit**, **we** shall reimburse **you** for the reasonable attorneys' fees and litigation expenses incurred by **you**, in accordance with paragraph 15 of Section IV, COMMERCIAL GENERAL LIABILITY CONDITIONS.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

COVERAGE B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

1. INSURING AGREEMENT

a. **We** will pay those sums that an **insured** becomes legally obligated to pay as **tort damages** because of **personal injury** or **advertising injury** to which this insurance applies. **We** will have the right and duty to defend the **insured**, against any **suit** seeking **tort damages** provided that no other insurance affording a defense against such a suit is available to the **insured**. **Our** duty to defend the **insured** is further limited as provided below or in the Section of the policy entitled "EXCLUSIONS: COVERAGES A AND B". **We** will have no duty to defend any **insured** against any **suit** seeking damages for **personal injury** or **advertising injury** to which this insurance does not apply. **We** may at **our** discretion investigate any offense and settle any **claim** or **suit** that may result. But:

- (1) The amount **we** will pay for **tort damages** is limited as described in LIMITS OF INSURANCE (Section III).
- (2) **Our** right and duty to defend end when **we** have used up the applicable limit of insurance by payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.
- (3) **We** shall have no duty to defend **you** in any **suit** where a **claim** for **personal injury** or **advertising injury** incorporated in a **suit** was made or **suit** was filed before the **policy period** begins, even though **you** were not a party to the suit at the time it was filed, and even though such **suit** may include **claims** for **personal injury** or **advertising injury** committed, or alleged to have been committed, during or after the **policy period**.
- (4) **We** shall have no obligation to defend **you** in any **suit** seeking damages for **personal injury** or **advertising injury** arising out of the publication of material where it is alleged that the first publication took place before the **policy period** begins.

b. This insurance only applies to:

- (1) **Personal injury** caused by an offense arising out of **your** business, excluding advertising, publishing, broadcasting or telecasting done by or for **you**, but only if the offense was committed in the **coverage territory** during the **policy period**;
- (2) **Advertising injury** caused by an offense committed in the course of advertising **your** goods, products or services; but only if the offense was committed in the **coverage territory** during the **policy period**.

c. All **claims** for damages because of **personal injury** or **advertising injury** to the same person or organization as a result of an offense will be deemed to have been made at the time the first of those **claims** is made against **you**.

d. **We** shall have no duty to defend any **suit** filed before the **policy period** begins, even though **you** were not a party to such **suit** at the time it was filed.

e. Where a **suit** is based in whole or in part upon **bodily injury, personal injury or property damage**, liability for which is excluded by Exclusions F, O, S, V, W, X, Y, AA, BB, DD, and II, **we** shall have the right, but not the obligation, to defend said **suit**. When **we** do not elect to defend **you** in such **suit**, **we** shall reimburse **you** for the reasonable attorneys' fees and litigation expenses incurred by **you**, in accordance with paragraph 15 of Section IV, COMMERCIAL GENERAL LIABILITY CONDITIONS.

f. In those cases in which **we** have no duty to defend, **we** have the right, at our sole election, to intervene in any **suit** for which a defense or indemnity has been requested by **you**. **You** will not object to our intervention in the **suit** and **you** agree that our right to defend may be subject to any reservations of rights that are applicable. In any case in which **we** intervene, **we** will also defend **you** if **you** are not being defended by any other insurer.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS-COVERAGES A AND B.

EXCLUSIONS: COVERAGES A AND B

This insurance does not apply to:

A. EXPECTED OR INTENDED INJURY EXCLUSION

Bodily injury, property damage, personal injury, or advertising injury expected or intended from the standpoint of any **insured**. This Exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

B. CONTRACTUAL LIABILITY EXCLUSION

Bodily injury, property damage, personal injury or advertising injury for which an **insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This Exclusion does not apply to liability for **bodily injury or property damage**:

- (1) That **you** would have in the absence of a contract or agreement; or
- (2) **You** assumed in a contract or agreement that is an **insured contract**, provided the **bodily injury or property damage** occurs subsequent to the execution of the **insured contract** and the **bodily injury or property damage** arises from **your work** performed during the **policy period**. However, this insurance does not apply to liability for **bodily injury or property damage** assumed in an **insured contract** to the extent your legal liability exceeds your degree of negligence or fault according to applicable principles of comparative fault.

Except as set forth in Paragraph 8 SUPPLEMENTARY PAYMENTS - COVERAGES A and B where pursuant to an **insured contract you** have assumed liability to another party for the cost of that party's defense, reasonable attorneys' fees and litigation expenses for which **you** are liable to that party are deemed tort damages because of **bodily injury or property damage** so long as those attorneys' fees and litigation expenses are for the defense of that party in a **suit** which seeks damages for **bodily injury or property damage** covered by this policy and such costs, fees and expenses would otherwise be covered by this policy. Payments made to **you** or on **your** behalf for such liability shall reduce the applicable limits of insurance as set forth in Section III. Except as set forth in this Exclusion, the costs incurred by **you** for the defense of another are not covered.

C. LIQUOR LIABILITY EXCLUSION

Bodily injury, property damage, personal injury or advertising injury for which any **insured** may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This Exclusion applies only to an **insured** in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

D. WORKERS COMPENSATION AND SIMILAR LAWS EXCLUSION

An obligation of any **insured** under a workers compensation, disability benefits, unemployment compensation law or any similar law.

E. LIABILITY TO EMPLOYEES EXCLUSION

Bodily injury, personal injury, or advertising injury to:

- (1) An employee of any **insured** arising out of and in the course of employment, whether any other **insured** may be liable for such **bodily injury, personal injury or advertising injury**; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether an insured may be liable as an employer or in any other capacity;
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury; and
- (3) To any **insured** against whom a **claim** is made or **suit** is brought for such **bodily injury, personal injury or advertising injury**, whether by or on behalf of an employee of that **insured** or any other **insured**.

For the purpose of this exclusion the term "employee" includes loaned, rented, leased or temporary employees, as well as persons who qualify as borrowed servants or employees or persons who are or may be deemed employees of any **insured** under the doctrines of borrowed servant, borrowed employee, respondeat superior or any similar doctrine, or for whom any **insured** may be held liable as an employer.

F. POLLUTION EXCLUSION

Any **claim** based in whole or in part upon **bodily injury, property damage, or personal injury** caused by, resulting from, attributable to, contributed to, or aggravated by the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**, or from the presence of, or exposure to, **pollution** of any form whatsoever, and regardless of the cause of the **pollution** or **pollutants**.

This Exclusion applies regardless of the cause of the **pollution** and whether any other cause of said **bodily injury, property damage, or personal injury** acted jointly, concurrently or in any sequence with said **pollutants** or **pollution**. This Exclusion applies whether any other cause of the **bodily injury, property damage, or personal injury** would otherwise be covered under this insurance.

G. AIRCRAFT, AUTO OR WATERCRAFT EXCLUSION

Bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others of

any aircraft, **auto** or water craft owned or operated by, or rented or loaned to any **insured**. Use includes operation and **loading or unloading**.

This Exclusion does not apply to:

- (1) A watercraft while ashore on premises **you** own or rent;
- (2) A watercraft **you** do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an **auto** on, or on the ways next to, premises **you** own or rent, provided the **auto** is not owned by, rented or loaned to any **insured**;
- (4) Liability assumed under an **insured contract** for the ownership, maintenance or use of aircraft or watercraft; or
- (5) **Bodily injury or property damage** arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of **mobile equipment** (Section V.10).

H. MOBILE EQUIPMENT EXCLUSION

Bodily injury or property damage arising out of:

- (1) The transportation of **mobile equipment** by an **auto** owned or operated by or rented or loaned to any **insured**; or
- (2) The use of **mobile equipment** in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.
- (3) Transporting or moving **mobile equipment** on any public street or highway.

I. WAR EXCLUSION

Bodily injury, property damage, or personal injury due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, act of terrorism, or revolution, whether any other cause or causes of said **bodily injury, property damage, or personal injury**, including the negligence or misconduct of any **insured**, caused or contributed to such **bodily injury, property damage or personal injury**.

J. DAMAGE TO PROPERTY

EXCLUSION Property damage to:

- (1) Property **you** own, rent, or occupy;
- (2) Premises **you** sell, give away or abandon, if the **property damage** arises out of any part of those premises;
- (3) Property, real or personal, loaned to any **insured**;
- (4) Personal property in the care, custody or control of any **insured**, whether or not such care, custody or control was exclusive at the time of such **property damage**;
- (5) That particular part of real property on which **you**

or any contractors or subcontractors working directly or indirectly on **your** behalf are performing operations, if the **property damage** arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraph (2) of this Exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by **you**.

Paragraph (6) of this Exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

For purposes of this Exclusion, if **you** are a general contractor, construction supervisor or developer, the entire construction project shall be considered "that particular part" of real or other property.

For purposes of paragraph (5), **you** or any contractors or subcontractors working directly or indirectly on **your** behalf shall be deemed to be "performing operations" from the time when **you** or the contractors or subcontractors begin work until such operations are complete as set forth in paragraph 17.b. of SECTION V – DEFINITIONS - (**Products-Completed Operations Hazard**).

K. DAMAGE TO YOUR PRODUCT EXCLUSION

Property damage to your product.

L. DAMAGE TO YOUR WORK EXCLUSION

Property damage to your work or any part of it and included in the **products-completed operations hazard**.

This Exclusion does not apply if the damaged work or the work out of which the damage arises was performed on **your** behalf by a subcontractor.

M. DAMAGE TO IMPAIRED PROPERTY AND PROPERTY WHICH HAS NOT BEEN PHYSICALLY INJURED EXCLUSION

Property damage to impaired property and property which has not been physically injured arising out of:

- (1) A delay or failure by **you** or anyone acting on **your** behalf to perform a contract or agreement in accordance with its terms; or
- (2) A defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**.

This Exclusion applies to property which is otherwise not physically injured or damaged but which must be demolished, removed, repaired, replaced, altered or damaged in order to remove, repair or replace **your work** or **your product**.

N. RECALL OF PRODUCTS, WORK OR IMPAIRED PROPERTY EXCLUSION

Damages claimed for any loss, cost or expense incurred by **you** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) **Your product**;

- (2) **Your work**; or

- (3) **Impaired property**;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

O. ASBESTOS EXCLUSION

Any **claim** based in whole or in part upon **bodily injury** or **property damage** arising out of exposure to or the manufacture, mining, use, sales, installation, distribution, removal, or encapsulation of asbestos products, asbestos fibers or asbestos dust. This Exclusion shall apply without regard to the source or sources of such asbestos, or the basis of the **insured's** liability. This Exclusion includes defects or negligence in design, construction or materials, or any other event, conduct or misconduct, which may have or is claimed to have precipitated, caused or acted jointly, concurrently, or in any sequence with asbestos in causing the **bodily injury** or **property damage**. This Exclusion includes any injury or damage caused by the presence of asbestos and damage or injury caused by the removal, eradication, detoxification, remediation or decontamination of asbestos or property containing asbestos, and further includes any liability, cost or expense to remediate or prevent **property damage**, **bodily injury** or **personal injury** from asbestos.

P. FINES OR PENALTIES EXCLUSION

Claims based upon or arising out of a fine or penalty imposed by or under any law, statute, or ordinance of any federal, state or municipal government agency.

Q. PUNITIVE OR EXEMPLARY DAMAGES EXCLUSION

Claims for multiplied damages, punitive or exemplary damages, fines or penalties.

R. AIRCRAFT PRODUCTS EXCLUSION

Bodily injury or **property damage** included within the **products-completed operations hazard** relating to aviation, including missiles or spacecraft, any ground support or control equipment and any article installed in aircraft, or used in connection with aircraft, or for spare parts for aircraft, or tooling used for the manufacture thereof, including ground handling tools and equipment, training aids, instruction manuals, blueprints, engineering or other data, advice and services and labor relating to such aircraft or articles, or to any liability arising out of the **grounding** of any aircraft.

For the purpose of this Exclusion **grounding** means the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft, by reason of the existence of or alleged or suspected existence of any defect, fault, or condition in such aircraft or any part thereof sold, handled or distributed by any **insured**, or manufactured, assembled or processed by any other person or organization according to specifications, plans, suggestions, orders or drawings of any **insured**, or with tools, machinery or other equipment furnished to such persons or organizations by any **insured**,

whether such aircraft so withdrawn are owned or operated by the same or different persons or organizations.

S. EARTH MOVEMENT EXCLUSION

Any **claim** based in whole or in part upon **bodily injury** or **property damage** arising from, aggravated by, or as a consequence of earth movement, whether the earth movement is combined with any other cause. As used in this exclusion the term earth movement includes, but is not limited to, earthquake, landslide, subsidence, mudflow, sinkhole, erosion, or the sinking, rising, shifting, expanding or contracting of earth or soil.

This Exclusion applies regardless of the cause or causes of the earth movement and includes defects or negligence in design, construction or materials, or any other event, conduct or misconduct which may have or is claimed to have precipitated, caused or acted jointly, concurrently, or in any sequence with earth movement in causing the **bodily injury** or **property damage**. This Exclusion further applies to **bodily injury** and **property damage** arising from the mitigation, repair or avoidance of earth movement.

T. PERSONAL INJURY AND ADVERTISING INJURY EXCLUSION

Personal injury or advertising injury:

- (1) Arising out of oral or written publication of material, if done by or at the direction of an **insured** with knowledge of its falsity;
- (2) Arising out of oral or written publication of material, the first publication of which took place before the **policy period**;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of any **insured**; or
- (4) For which **you** have assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that **you** would have in the absence of a contract or an agreement.

U. ADVERTISING INJURY EXCLUSION

Advertising injury arising out of:

- (1) The failure of goods, products or services to conform with advertised quality or performance;
- (2) The wrong description of the price of goods, products or services;
- (3) An offense committed by an **insured** whose business is advertising, broadcasting, publishing or telecasting;
- (4) Misappropriation of advertising ideas or style of doing business;
- (5) Infringement of copyright, title, trademark, trade dress, patent, or slogan; or
- (6) Oral or written publication of material that disparages a person's or organization's goods, products or services.

V. NUCLEAR ENERGY EXCLUSION

Any **claim** based in whole or in part upon **bodily injury**

or **property damage**:

- (1) arising from, aggravated by, or as a consequence of the **hazardous properties** of **nuclear material**, whether any other cause or causes acted jointly, concurrently or in any sequence to result in such **bodily injury** or **property damage** and without regard to whether any other such cause or causes of the **bodily injury** or **property damage** would be covered under this policy

The following definitions apply only to this Exclusion:

- (1) **Hazardous properties** include radioactive, toxic or explosive properties.
- (2) **Nuclear material** means **source material**, **special nuclear material** or **by-product material**.
- (3) **Source material**, **special nuclear material**, and **by-product material** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

For purposes of this Exclusion, **property damage** includes all forms of radioactive contamination of property. This Exclusion includes any injury or damage caused or alleged to have been caused by the removal, eradication, detoxification, remediation or decontamination of **nuclear material** or property containing **nuclear material**, and further includes any liability, cost or expense to remediate or prevent **property damage**, **bodily injury** or **personal injury** from **nuclear material**.

W. ELECTROMAGNETIC RADIATION EXCLUSION

Any **claim** based in whole or in part upon **bodily injury**, **property damage** or **personal injury** arising from or caused by exposure to or the existence of harmful levels or frequencies of electromagnetic radiation, whether such electromagnetic radiation is naturally occurring or artificially created, and whether such electromagnetic radiation acted or is said to have acted in any sequence or combination with any other cause or causes of damage or injury. This Exclusion shall apply without regard to the source or sources of such electromagnetic radiation, or the allegations against an **insured** or basis of an **insured's** liability.

X. EMPLOYMENT PRACTICES EXCLUSION

Any **claim** based in whole or in part upon **bodily injury**, **personal injury** or **property damage** arising out of any:

- (1) Refusal to employ;
- (2) Termination of employment;
- (3) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or other employment-related practices, policies, acts or omissions; or
- (4) Consequential injury as a result of (1) through (3) above

This Exclusion applies whether an **insured** may be held liable as an employer or in any other capacity and to any obligation to share damages with or to repay someone else who must pay damages because of the injury.

Y. MOLD, BACTERIA AND OTHER ORGANICALLY
– CAUSED **BODILY INJURY, PROPERTY
DAMAGE OR PERSONAL INJURY EXCLUSION**

Any **claim** based in whole or in part upon **bodily injury, property damage, or personal injury** which is, in whole or in part caused by, results from, is attributable to or contributed to by, or is aggravated by, any stage or form of mold, fungus, bacteria, virus, pollen, including any by-product or substance released by such mold, bacteria, virus, pollen, allergen or other organism or organic matter.

This Exclusion includes any **property damage, bodily injury or personal injury** caused by removal, eradication, detoxification, remediation or decontamination of mold, fungus, bacteria, pollen, virus, allergen or organic pathogen, and further includes any liability, cost or expense to remediate or prevent **property damage, bodily injury or personal injury** from mold, fungus, bacteria, pollen, virus, allergen or organic pathogen.

This Exclusion applies regardless of the origin or cause of the mold, fungus, bacteria, virus, pollen, allergen or organic pathogen, and whether any other cause of said **bodily injury, property damage, or personal injury** acted jointly, concurrently or in any sequence with said mold, fungus, bacteria, virus, pollen, allergen or other organic pathogen.

Z. CERTAIN PROJECTS NOT COVERED
EXCLUSION

Bodily injury or property damage arising from **your work or your product** which is incorporated in a project of construction, including multiple units of construction or developments, where a **claim** of defective construction resulting in **bodily injury or property damage** at the project was made before the **policy period**, regardless of whether more or different allegations of defective construction and/or resulting damage are made during or after the **policy period**.

AA. PAST PROJECTS EXCLUSION

Any **claim** based in whole or in part upon **property damage** arising from **your work or your product** included within the **products-completed operations hazard**, which is incorporated in a project of construction before the **policy period**, unless the project is specifically endorsed on this Policy and a premium is charged therefor.

BB. LEAD EXCLUSION

Any **claim** based in whole or in part upon **bodily injury, property damage, or personal injury** arising from or caused by the ingestion of, existence of or exposure to lead, whether such lead is in pure form or is or was combined with any other chemical or material and whether the existence of or exposure to lead is or is alleged to have caused damage in any sequence or combination with, or contributed to or was contributed to by any other cause or causes of injury or damage. This Exclusion shall apply without regard to the allegations or basis of the insured's liability. This Exclusion includes any injury or damage caused or alleged to have been caused by the removal, eradication, detoxification, remediation or decontamination of lead or property

containing lead and further includes any liability, cost or expense to remediate or prevent **property damage, bodily injury or personal injury** from lead.

CC. CONDOMINIUM OR TOWNHOUSE
LIABILITY EXCLUSION

- (1) **Property damage or bodily injury** within the **products-completed operations hazard** arising from, related to or in any way connected with **your work or your product** which is, is part of or is incorporated into or upon a condominium, or townhouse project, or to **personal injury or advertising injury** arising or resulting from **your operations** performed upon, at or for a condominium or townhouse project.

This Exclusion applies to **property damage, bodily injury, personal injury, or advertising injury** arising from, related to or connected with operations, including **your work or your product**, performed or supplied with respect to any apartment project or structure which, at the time a claim for such **property damage, bodily injury, personal injury, or advertising injury** is first made, has been or is being converted into a condominium or townhouse, whether **your operations, including your work or your product**, were performed, incorporated or supplied before or after the apartment was converted to a condominium or townhouse project or structure.

This Exclusion applies regardless of whether any of the units are held for rental or lease or are being rented or leased, or used for any other purpose or in any fashion other than as a condominium or townhouse.

- (2) Liability for **property damage, bodily injury, personal injury, or advertising injury** of any insured, or any person or entity for which **you** have assumed liability in an **insured contract**, arising from, related to or in any way connected with the operations on or products supplied to a condominium or townhouse project or development.
- (3) This Exclusion does not apply to **bodily injury or property damage** arising from **your work or your product** first performed or supplied or incorporated after such residential structure was certified for occupancy, but only if:
- Your work or your products** out of which such **bodily injury or property damage** arises are or were employed, contracted or purchased by the owner, tenant or occupant of an individual unit, and not on behalf of any homeowners association.
 - Your work or your products** are not upon or incorporated into any common area or common structure; and
 - Such work or products were not performed or supplied to repair or replace **your work or your product** that was completed or

incorporated prior to the certificate of occupancy.

DD. FORMALDEHYDE EXCLUSION

Any **claim** based in whole or in part upon **bodily injury, property damage, or personal injury** arising from the manufacture, handling, distribution, sale, application, consumption, use or exposure to any product known as formaldehyde or which has the same chemical formula or which is a formaldehyde derivative or which is generally known in the trade in which it is used as having a like formulation, structure or function by whatever name manufactured, sold or distributed and whether the existence of or exposure to formaldehyde caused or is alleged to have caused damage in any sequence or combination with, or contributed to or was contributed to by any other cause or causes of injury or damage. This Exclusion shall apply without regard to the basis of an **insured's** liability. This Exclusion applies to any injury or damage caused by the removal, eradication, detoxification, remediation or decontamination of formaldehyde or property containing formaldehyde, and further includes any liability, cost or expense to remediate or prevent **property damage, bodily injury or personal injury** from formaldehyde

EE. PROFESSIONAL LIABILITY EXCLUSION

Bodily injury, property damage, personal injury or advertising injury arising out of the performance of **professional services**.

Notwithstanding the provisions of this policy regarding the obligation to defend **you**, where a **suit** is based in whole or in part upon the performance of **professional services**, liability for which is excluded by this Exclusion, **we** shall have the right, but not the obligation, to defend said **suit**. When **we** do not elect to defend **you** in such suit, **we** shall reimburse **you** for the reasonable attorneys' fees and litigation expenses incurred by **you**, in accordance with Paragraph 15 of Section IV, COMMERCIAL GENERAL LIABILITY CONDITIONS

FF. FINANCIAL SERVICES EXCLUSION

Bodily injury, property damage, personal injury or advertising injury arising out of the performance of **financial services**.

GG. BLASTING OPERATIONS EXCLUSION

Bodily injury, property damage, personal injury or advertising injury arising out of blasting or explosion operations.

HH. EXTERIOR INSULATION AND FINISH SYSTEMS EXCLUSION

Bodily injury or property **damage** arising out of or included within the **products-completed operations hazard** which was claimed or alleged to

be caused by, or contributed to, or in consequence of any exterior insulation and finish systems.

II. CONCRETE SULFATES EXCLUSION

Any **claim** based in whole or in part upon **property damage** arising from or caused by the exposure of concrete to, or the adsorption or absorption by concrete products of sulfates, whether such sulfate is in pure form or is or was combined with any other chemical or material. This Exclusion applies regardless of the any other cause or causes of the **property damage** and includes defects or negligence in design, construction, inspection or materials, or any other event, conduct or misconduct which may have or is claimed to have precipitated, caused or acted jointly, concurrently, or in any sequence with the exposure of concrete to sulfates in causing the **property damage**. This Exclusion shall apply without regard to the allegations or basis of the **insured's** liability.

COVERAGE C. MEDICAL PAYMENTS

1. INSURING AGREEMENT

a. **We** will pay medical expenses as described below for **bodily injury** caused by an accident:

- (1) On premises **you** own or rent; or
- (2) On ways next to premises **you** own or rent;

provided that:

- (1) The accident takes place in the **coverage territory**, during the **policy period**;
- (2) The expenses are incurred and reported to **us** within the **policy period**; and
- (3) The injured person submits to examination, at **our** expense, by physicians of **our** choice as often as **we** reasonably require.

b. **We** will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. **We** will pay reasonable expenses for:

- (1) First aid at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

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We will not pay expenses for **bodily injury**:

- A. To any **insured**.
- B. To a person hired to do work for or on behalf of any **insured** or a tenant of any **insured**.

- C. To a person injured on that part of premises any insured owns or rents that the person normally occupies.
- D. To a person if benefits for the **bodily injury** are payable or must be provided under a workers compensation or disability benefits law or a similar law.
- E. To a person injured while taking part in athletics.
- F. Excluded under Coverage A.
- G. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, act of terrorism, rebellion or revolution.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any **claim** we investigate or settle, or any **suit we** defend:

1. All expenses **we** incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the **Bodily Injury** Liability Coverage applies. **We** do not have to furnish these bonds nor provide security or collateral for them.
3. The cost of bonds to release attachments or to stay a judgment on appeal, but only for bond amounts within the applicable limit of insurance. **We** do not have to furnish these bonds nor provide collateral for them.
4. All reasonable expenses **you** incur at **our** request to assist **us** in the investigation or defense of the **claim** or **suit**, including actual loss of earnings up to \$100 a day because of time off from work.
5. Costs awarded against **you** in the **suit** for damages, if awarded on a cause or causes of action covered by this insurance, but we will not pay costs which are awarded for attorneys fees incurred by the opposing party by reason of statute, court rule, regulation or a contractual obligation (except as set forth in paragraph 8 of this section or paragraph b. of EXCLUSIONS: COVERAGES A AND B).
6. Prejudgment interest awarded against **you** on that part of the judgment **we** pay. 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.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court that part of the judgment that is within the coverage of this policy and the applicable limit of insurance.

8. Where we defend your indemnitee, attorneys fees incurred by **us** in the defense of that indemnitee, necessary litigation expenses incurred by **us** and necessary litigation expenses incurred by the indemnitee at **our** request will be paid as Supplementary Payments. Notwithstanding the provisions of EXCLUSIONS: COVERAGES A AND B in exclusion B(2), such payments will not be deemed to be damages for **bodily injury** and **property damage** and will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

1. If the **Named Insured** is designated in the declarations as:
 - a. An individual, **you** and **your** spouse are **insureds**, but only with respect to the conduct of a business of which **you** are the sole owner and which is designated in the Declarations.
 - b. A partnership or joint venture, **you** are an **insured**. **Your** members, **your** partners, and their spouses are also **insureds**, but only with respect to the conduct of **your** business.
 - c. A Limited Liability Company, **you** are an **insured**, **your** members are also **insureds**, but only with respect to the conduct of **your** business. **Your** managers are **insureds**, but only with respect to their duties as **your** managers.
 - d. An organization other than a partnership, joint venture, or Limited Liability Company, **you** are an **insured**. **Your** executive officers and directors are **insureds**, but only with respect to their duties as **your** officers or directors. **Your** stockholders are also **insureds**, but only with respect to their liability as stockholders.
2. Each of the following is also an **insured**:
 - a. **Your** employees, other than **your** executive officers, but only for acts within the scope of their employment by **you**. However, no employee is an **insured** for:
 - (1) **Bodily injury**, or **personal injury** to **you** or to a co-employee while in the course of his or her employment, or the spouse, child, parent, brother or sister of that co-employee as a consequence of such **bodily injury** or **personal injury**, or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
 - (2) **Bodily injury** or **personal injury** arising out of his or her providing or failing to provide professional health care services; or
 - (3) **Property damage** to property owned or occupied by or rented or loaned to that employee, any of **your** other employees, or any of **your** partners or members (if **you** are a partnership, joint venture or limited liability company).

- b. Any person (other than **your** employee) or any organization while acting as **your** real estate manager.
 - c. Any person or organization having proper temporary custody of **your** property if **you** die, but only;
 - (1) With respect to liability arising out of the maintenance or use of that property ;and
 - (2) Until **your** legal representative has been appointed.
 - d. **Your** legal representative if **you** die, but only with respect to duties as such. That representative will have all **your** rights and duties under this insurance.
3. Any organization **you** newly acquire or form during the **policy period**, other than a partnership or joint venture, and over which **you** maintain ownership or majority interest, will qualify as an **insured** if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after **you** acquire or form the organization or the end of the **policy period**, whichever is earlier;
 - b. Coverage A does not apply to **bodily injury** or **property damage** that occurred before **you** acquired or formed the organization; and
 - c. Coverage B does not apply to **personal injury** or **advertising injury** arising out of an offense committed before **you** acquired or formed the organization
 4. Any other person or entity added by endorsement to this policy as an **insured**, but only to the extent and with the limitations set forth in said endorsement.
 5. No person or entity is an **insured** by virtue of the acquisition of all or any part of the assets of an **insured**.
No person or organization is an **insured** with respect to the conduct of any current or past partnership or joint venture that is not shown as a **Named Insured** in the declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most **we** will pay regardless of the number of:
 - a. **Insureds**
 - b. **Claims** made or **suits** brought; or
 - c. Persons or organizations making **claims** or bringing **suits**.

2. The General Aggregate Limit is the most **we** will pay for the sum of:
 - a. Damages under Coverage A, except damages because of **bodily injury** and **property damage** included in the **products-completed operations hazard**; and
 - b. Damages under Coverage B;
 - c. Medical expenses under Coverage C.
3. The Products-Completed Operations Aggregate Limit is the most **we** will pay under Coverage A, for damages because of **bodily injury** and **property damage** included in the **products-completed operations hazard**.
4. Subject to 2. above, the **Personal** and **Advertising Injury** Limit is the most **we** will pay under Coverage B for the sum of all damages because of all **personal injury** and all **advertising injury** sustained by any one person or organization
5. Subject to 2. above, the Each **Occurrence** limit is the most **we** will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all **bodily injury** and **property damage** arising out of any one occurrence.
 - d. The Medical Expense Limit is the most **we** will pay under Coverage C for all medical expenses because of **bodily injury** sustained by any one person.
 - e. The **Damage to Premises Rented to You** Limit is the most **we** will pay under Coverage A for damages because of **property damage** to premises rented to **you** arising out of any one fire.
6. For purposes of paragraph 4., above, all bodily injury and property damage caused or alleged to have been caused by **your work** or **your product** which are incorporated into a project of construction, including a development of multiple distinct units, shall be deemed to have been caused by a single **occurrence**.
7. If a single **occurrence** as defined in the policy or as modified for purposes of the application of this section in Paragraph 5., above, causes **bodily injury** or **property damage** in more than one policy period, the **each occurrence limit** shall be no more than the proportion of our policy limit compared to the highest per occurrence policy limit purchased by an insured for a single policy year, even if purchased from another insurer. In calculating our proportionate share, only one policy issued by us shall be used.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

We have no duty to provide coverage or defense under this insurance unless **you** and any other involved **insured** have fully complied with the conditions contained in this policy.

1. BANKRUPTCY

Bankruptcy or insolvency of the **insured** or of the **insured's** estate will not relieve **us** of **our** obligations under this policy.

2. CANCELLATION

- a. The first **Named Insured** shown in the Declarations may cancel this policy by mailing or delivering to **us** advance written notice of cancellation.
- b. **We** may cancel this policy by mailing or delivering to the first **Named Insured** written notice of cancellation at least:
 - (1) Ten (10) days before the effective date of cancellation if **we** cancel for non-payment of premium; or
 - (2) Thirty (30) days before the effective date of cancellation if **we** cancel for any other reason.
- c. **We** will mail or deliver **our** notice to the first **Named Insured's** address shown in the declarations.
- d. Notice of cancellation will state the effective date of cancellation. The **policy period** will end on that date.
- e. If this policy is cancelled, **we** will send the first **Named Insured** any premium refund due as follows:
 - (1) if **we** cancel, the refund will be pro rata; or
 - (2) if the first **Named Insured** cancels, the refund may be less than pro rata and will be computed by the Company's customary short-rate procedure.

The cancellation will be effective even if **we** have not made or offered a refund. Notwithstanding the foregoing, if **we** have elected to audit the policy rate basis under the provisions of Section IV. paragraph 4. - EXAMINATION OF **YOUR** BOOKS AND RECORDS, the first **Named Insured** agrees to pay the higher of:

- (1) the earned premium as computed by such audit; or
 - (2) the earned premium as computed by such customary short-rate procedure of the minimum and deposit premium if the first **Named Insured** cancels, or as computed pro rata if **we** cancel.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. CHANGES

This policy contains all the agreements between **you** and **us** concerning the insurance afforded. The first **Named Insured** shown in the Declarations is authorized to make changes in the terms of this policy with **our** written consent. This policy's terms can be amended or waived only by endorsement issued by **us** and made a part of this policy.

4. EXAMINATION OF **YOUR** BOOKS AND

RECORDS

We may examine and audit **your** books and records as they relate to this policy at any time during the **policy period** and up to three years afterward.

5. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give **you** reports on the conditions **we** find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. **We** do not make safety inspections. **We** do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. **We** do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

6. **INSURED'S** DUTIES IN THE EVENT OF AN OCCURRENCE, OFFENSE, CLAIM OR SUIT.

- a. **You** or any involved **insured** must see to it that **we** are notified as soon as possible of an **occurrence** or an offense which may result in a **claim**, whether or not covered by this Policy, but notification to **us** must be made within thirty (30) days from **your**, or any involved **insured's**, first notice of an **occurrence** or offense. To the extent possible, notice should include:
 - (1) How, when and where the **occurrence** or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the **occurrence** or offense.
- b. If a **claim** or **suit** is received by any **insured**, **you** or that **insured** must, as a condition to recovery under this policy:
 - (1) Immediately record the specifics of the **claim** or **suit** and the date received, and
 - (2) Notify **us** as soon as practicable, but not more than fifteen (15) days following initial receipt of the **claim** or **suit**.
 - (3) The requirement to notify **us** applies without regard to whether an **insured** believes, reasonably or otherwise, that the **claim** or **suit** is not covered by this Policy.
 - (4) Failure to provide the notice required above within the time specified without legal cause or justification shall be presumed to prejudice **us**.
- c. **You** and any other involved **insured** must:
 - (1) Immediately send **us** copies of any

demands, notices, summonses or legal papers received in connection with the **claim** or **suit**;

- (2) Authorize **us** to obtain records and other information;
- (3) Cooperate with **us** in the investigation, settlement or defense of the **claim** or **suit**; and
- (4) Assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to the **insured** because of injury or damage to which this insurance may also apply.

Notice of an **occurrence** or offense is not notice of a **claim** or **suit**.

- d. Irrespective of reasons, excuse, justification, or prejudice to us:
 - (1) **We** shall not be liable for any cost, payment, expense (including legal expense) or obligation assumed or incurred by an **insured** or anyone acting for or on behalf of an **insured**, without **our** express consent; and
 - (2) **We** shall have no liability for any default judgment entered against any **insured**, nor for any judgment, or settlement or determination of liability rendered or entered before notice to **us** giving **us** a reasonable time in which to protect **our** and the **insured's** interests.

Nothing in this paragraph d. shall be construed to expand upon coverage nor lengthen or expand the periods in which **claims** or **suits** are to be reported as set forth in paragraphs a. through c. of this Section.

7. LEGAL ACTION AGAINST US

No person or organization has a right under this insurance:

- a. To **join** us as a party or otherwise bring us into a suit asking for damages from an insured; or
- b. To sue **us** on this insurance unless all of its terms have been fully complied with.

Subject to paragraph 6, above, a person or organization may sue **us** to recover on an agreed settlement or on a final judgment against an **insured** obtained after an actual trial; but **we** will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by **us**, the **insured** and the claimant or the claimant's legal representative.

8. OTHER INSURANCE, DEDUCTIBLES AND SELF-INSURED RETENTIONS

If other insurance is available to an **insured** for a loss **we** cover under Coverages A or B of this

policy, **our** obligations are limited as follows:

a. Excess Insurance

This insurance is excess over any other insurance, and over deductibles or self-insured amounts applicable to the loss, damage, or injury, whether such other insurance is primary, excess, contingent or contributing, and whether an **insured** is a **named insured** or additional insured under said policy.

When this insurance is excess, **we** will have no duty under Coverage A or B to defend any **claim** or **suit** that any other insurer has a duty to defend.

When this insurance is excess over other insurance, 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 insurance; and
- (2) The total of all deductible and self-insured amounts under all other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

b. Primary Insurance

Where no other insurance is available to an **insured**, this insurance is primary. When other insurance applicable to the loss, injury or damage on behalf of the **insured** is also excess, as set forth in paragraph a. above, then **we** will share with all that other excess insurance by the method de-scribed in paragraph c. below, except that this insurance shall always be excess to any other insurance available to an **insured** who is not a **Named Insured** under this policy, and which is issued to such **insured** as a **Named Insured**.

c. Method of Sharing

Where the loss, damage or injury does not involve or arise from continuous or progressive **bodily injury** or

property damage, or an exposure to conditions in more than one policy year, see Section III, Paragraph 6, the following method of sharing shall be followed, subject to the per **occurrence** and per offense limits of coverage:

- (1) If all of the other contributing insurance permits contribution by equal shares, **we** will follow this method also, subject to the policy limits, until the highest per occurrence limit of available insurance has been reached.
- (2) If any of the other insurance does not permit contribution by equal shares, **we** will contribute by limits, up to the applicable per occurrence policy limit as set forth in this policy.

The above methods of sharing will also apply where no primary insurance, as set forth in paragraph b. above, is applicable to the loss. In such instance, all applicable

deductibles and/or self-insured amounts must first be exhausted before this insurance will apply.

Where the loss, damage or injury arises from a continuous or progressive bodily injury or property damage, or an exposure to conditions in more than one policy year, then the limit of insurance set forth in Section III, paragraph 6 shall apply.

9. PREMIUM AUDIT

- a. **We** will compute all premiums for this policy in accordance with **our** rules and rates.
- b. If the premium for this policy is designated as a MINIMUM AND DEPOSIT PREMIUM, then **we** shall be entitled to retain that premium in full, notwithstanding any subsequent audit showing an earned premium to be less than the amount designated as the MINIMUM AND DEPOSIT PREMIUM. Notwithstanding the foregoing, a MINIMUM AND DEPOSIT PREMIUM is subject to an upward adjustment if an audit shows that the total earned premium exceeds the MINIMUM AND DEPOSIT PREMIUM. In that case, the amount by which the total earned premium exceeds the MINIMUM AND DEPOSIT PREMIUM shall be due and payable on notice to the first **Named Insured**.
- c. The first **Named Insured** must keep records of the information **we** need for the premium computation, and send **us** copies at such times as **we** may request.
- d. If any **Named Insured** refuses to allow **us** access to its records sufficiently to conduct such audit, then **we** shall, at **our** sole discretion, have the option to pursue either one of the following:
 - (1) To initiate all available legal and/or equitable remedies available in a court of proper jurisdiction to enforce and accomplish the subject audit; or,
 - (2) To invoice the first **Named Insured** for an additional premium equal to the greater of twenty-five percent (25%) of the original minimum and deposit premium shown on the declarations page of this policy or five thousand dollars (\$5,000) for each **Named Insured**.
- e. Additional premiums invoiced under Section IV.9.d(2), above, are due and payable on such invoicing to the first **Named Insured**. Interest allowed by the first **Named Insured's** state laws, or if no such laws, then ten percent (10%) interest, shall begin to accrue thirty (30) days after such invoicing on all amounts due from the first **Named Insured** under said Section IV, Paragraph 9d. above. The first **Named Insured** further agrees to pay, upon demand, all reasonable attorneys' fees, collection costs, and court costs required by **us** to enforce **our** rights and remedies under either option (1) or option (2) set forth in said Section IV, Paragraph 9d. above.
- f. Any single waiver by **us** of auditing the subject policy, including but not limited to waiving the audit

upon a return premium, shall not act as a continuing or permanent waiver, and **we** shall still have the right to audit at any time, at **our** sole discretion, for a three year time period following the termination date of this policy.

10. PREMIUMS

The first **Named Insured** shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums **we** pay.

11. REPRESENTATIONS

By accepting this policy, **you** agree:

- a. The statements **you** made in the declarations and applications and questionnaires are accurate and complete;
- b. **We** have issued this policy in reliance upon **your** representations; and
- c. False, misleading, inaccurate or incomplete statements may void coverage.

12. SEPARATION OF INSURED

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first **Named Insured**, this insurance applies:

- a. As if each **insured** were the only **insured**; and
- b. Separately to each **insured** against whom **claim** is made or **suit** is brought.

13. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any **insured** has the right to recover all or part of any payment **we** have made under this insurance, those rights are transferred to **us**. An **insured** must do nothing after loss to impair these rights. At **our** request, an **insured** will bring **suit** and help **us** enforce these rights.

14. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without **our** written consent except in the case of death of an individual **Named Insured**.

If **you** die, **your** rights and duties under this policy will be transferred to **your** legal representative, but only while acting within the scope of duties as **your** legal representative. Until **your** legal representative is appointed, anyone having proper temporary custody of **your** property will have **your** rights and duties, but only with respect to that property.

15. REIMBURSEMENT OF DEFENSE COSTS WHERE WE DO NOT ELECT TO DEFEND

Where pursuant to paragraph e(3) of Insuring Agreement, we have the right, but not the obligation to defend a **suit**, and **we** do not elect to defend such **suit**, at the conclusion or resolution of the **suit** **we** shall reimburse **you** for **your** reasonable attorneys' fees and litigation costs incurred in defending such **suit** which would otherwise have been incurred by **us**, in accordance with the following:

- a. Upon a settlement or final judgment comprised of

liability covered by this policy and liability excluded by an exclusion giving **us** the right but not the obligation to defend, **we** will reimburse said fees and costs in the proportion to which damages not excluded therein bear to the entire amount of damages paid by **you** or on **your** behalf.

- b. Where no damages are awarded against **you** in final judgment, nor any settlement reached requiring payment by **you** or on **your** behalf or where no damages are paid for liability excluded by an exclusion giving **us** the right but not the obligation to defend, **you** and **we** agree to be bound by the decision of an impartial arbitrator who shall review all invoices and work performed by **your** attorneys.
- c. As a condition precedent to **your** right to reimbursement, **you** and **your** attorneys shall keep **us** informed of the progress of **suit** and provide to **us** access to all information necessary or appropriate to evaluate the **claim, suit**, settlement and the reasonableness, amount and allocation of attorneys' fees and litigation expense.
- d. In any proceeding to seek reimbursement of costs and expenses incurred in defending the **suit, you** shall bear the burden of proving the amount of damages allocable to claims or allegations excluded by an exclusion giving **us** the right, but not the obligation to defend, the amount of damages allocable for claims or allegations not excluded by this Exclusion, and the amount of reimbursement to which **you** are entitled.

SECTION V – DEFINITIONS

1. ADVERTISING INJURY

Advertising injury means injury other than **bodily injury** arising out of one or more of the following offenses committed in the course of and through the means of **your** advertising activities:

- (a) Oral or written publication of material that slanders or libels a person, or
- (b) Oral or written publication of material that violates a person's right of privacy.

2. AUTO

Auto means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. **Auto** does not include **mobile equipment**.

3. BODILY INJURY

Bodily injury means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time. **Bodily injury** does not include shock or emotional, mental or psychological distress, injury, trauma or anguish, or other similar condition, unless such condition results solely and directly from prior physical injury, physical sickness or physical disease that is covered under this policy.

4. CLAIM

Claim means a request or demand for money or services because of **bodily injury, property damage, personal injury** or **advertising injury**, received by **us** or an **insured** including the service of **suit** or institution of arbitration proceedings against an **insured**. **Claim** does not include reports of accidents, acts, errors, occurrences, offenses or omissions which may give rise to a **claim** under this policy.

5. COVERAGE TERRITORY

Coverage territory means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if:
 1. The injury or damage arises out of:
 - a. Goods or products made and sold by **you** in the territory described in paragraph a. above; or
 - b. The activities of a person whose home is in the territory described in paragraph a. above, but is away for a period of less than thirty (30) days on **your** business; and
 2. **Your** responsibility to pay damages is determined in a **suit** on the merits, in the territory described in paragraph a. above or in a settlement **we** agree to.

6. FINANCIAL SERVICES

Financial services means services related to or arising out of the following:

- a. Planning, administering or advising on:
 1. Any investment, pension, annuity, savings, checking or retirement plan, fund or account;
 2. The issuance or withdrawal of any bond, debenture, stock or other securities;
 3. The trading of securities, futures, commodities, or currencies;
- b. Acting as a dividend disbursing agent, exchange agent, redemption or subscription agent, warrant or script agent, fiscal or paying agent, tax withholding agent, escrow agent, clearing agent, or electronic funds transfer agent;
- c. Lending or arranging for the lending of money, including credit card, debit card, leasing or mortgage operations or activities, including securing financing, refinancing, or interbank transfers;
- d. Repossessing of real or personal property or acting as an assignee for the benefit of creditors;
- e. Checking, evaluating or reporting of credit;

- f. Maintaining of financial accounts or records;
- g. Compliance with local, State or Federal tax laws including but not limited to tax planning, tax advising or the preparation of tax returns;
- h. Selling or issuing travelers checks, letters of credit, certified checks, cashier checks, bank checks, money orders or advances on payroll checks.

7. IMPAIRED PROPERTY

Impaired property means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:

- a. It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. **You** have failed to fulfill the terms of a contract or agreement;

If such property can be restored to use by:

- (1) The repair, replacement, adjustment or removal of **your product** or **your work**; or
- (2) **Your** fulfilling the terms of the contract or agreement, even though such property may be damaged in the course of the repair, replacement, adjustment or removal of **your product** or **your work**.

8. INSURED

The word **insured** means the **Named Insured** and any person or organization qualifying as an **Insured** under WHO IS AN **INSURED** (SECTION II).

9. INSURED CONTRACT

Insured contract means that part of any written contract or written agreement pertaining to **your** business (including an indemnification of a municipality in connection with work performed for a municipality) under which **you** assume the **tort liability** of another party to pay for **bodily injury** or **property damage** to a third person or organization, but only if such **bodily injury** or **property damage** is not otherwise excluded by this insurance.

An **insured contract** does not include that part of any contract or agreement:

- a. That indemnifies any person or organization for **bodily injury** or **property damage** arising out of construction or demolition operations, within fifty (50) feet of any railroad property;
- b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (1) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, field orders, change orders, or drawings, designs or specifications; or
 - (2) Giving directions or instructions, or failing to give them;
- c. Under which **you**, if an architect, engineer or surveyor, assume liability for an injury or damage

arising out of **your** rendering or failure to render **professional services**;

- d. That indemnifies any person or organization for damage by fire to premises rented or loaned to **you**;
- e. That portion of the contract for the lease of premises that indemnifies any person or organization for damage by fire to premises rented to **you** or temporarily occupied by **you**.

10. LOADING OR UNLOADING

Loading or unloading means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **auto**.
 - b. While it is in or on an aircraft, water craft or **auto**; or
 - c. While it is being moved from an aircraft, water craft or **auto** to the place where it is finally delivered;
- but **loading** or **unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or **auto**.

11. MOBILE EQUIPMENT

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises **you** own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted.
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers.

Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers.
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not

mobile equipment but will be considered **autos**:

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing;
 - (c) Street Cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment.

12. NAMED INSURED

Named Insured means the person or organization named in Item 1 .of the Declarations of this policy.

13. OCCURRENCE

Occurrence means an accident, including a continuous or repeated exposure to substantially the same generally harmful condition, neither expected nor intended from the standpoint of the insured.

14. PERSONAL INJURY

Personal injury means injury, other than **bodily injury**, arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. Actual and complete physical eviction of a person from a dwelling;
- d. Oral or written publication of material that slanders or libels a person or organization; or
- e. Oral or written publication of material that violates a person's right of privacy.

15. POLICY PERIOD

Policy period means the term of this policy from its inception date to the earlier of its expiration date, shown in the Declarations, or the date of any cancellation.

16. POLLUTANT

Pollutant means any solid, liquid, gaseous or thermal irritants or contaminants, which include but are not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, biological elements and agents, and intangibles such as noise, light and visual esthetics, the presence of any or all of which adversely affects human health or welfare, unfavorably alters ecological balances or degrades the vitality of the environment for esthetic, cultural or historical purposes, whether such substances would be or are deemed or thought to be toxic, and whether such substances are naturally occurring or otherwise.

Waste includes but is not limited to any material or substances to be recycled, reconditioned or reclaimed, and any substance or material produced as a by-product or side effect of any process.

Pollution as used herein means any form of **pollutant** which forms the basis for liability, whether the **pollution** is said to cause physical injury or not, which by volume or timing or any other factor is said to give rise to liability.

17. PRODUCTS-COMPLETED OPERATIONS HAZARD

Products-completed operations hazard:

- a. includes all **bodily injury** and **property damage** occurring away from premises **you** own or rent and arising out of **your product** or **your work** except:
 - (1) Products that are still in **your** physical possession; or
 - (2) Work that has not yet been completed.
- b. **Your work** will be deemed completed at the earliest of the following times:
 - (1) When all of the work called for in **your** contract has been completed.
 - (2) When all of the work to be done at the job site has been completed if **your** contract calls for work at more than one job site.
 - (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, after it is complete as set forth in paragraph b. above, will be treated as completed even though a contract requires such service, maintenance, correction, repair or replacement.

- c. This hazard does not include **bodily injury** or **property damage** arising out of
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the **loading** or **unloading** of that vehicle; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials;

18. PROFESSIONAL SERVICES

Professional services means services arising out of a vocation, calling, occupation or employment involving specialized knowledge, labor or skill, and the labor or skill involved is predominantly mental or intellectual, rather than physical or manual including but not limited to services rendered as an accountant, attorney, paralegal, insurance agent and/or broker, nurse, physician, hospital, real estate agent and/or broker, architect, engineer, surveyor, literary agent or veterinarian.

19. PROPERTY DAMAGE

Property damage means physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it. Loss of use of tangible property unaccompanied by physical

injury to that property is not **property damage**.

20. SUIT

Suit means a civil proceeding in which damage because of **bodily injury, property damage, personal injury** or **advertising injury** to which this insurance applies are alleged. **Suit** includes:

- a. An arbitration proceeding in which such damages are claimed and to which an **insured** must submit or does submit with **our** consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which an **insured** submits with **our** consent.

21. TORT DAMAGES

Tort damages means damages that would be imposed by law in the absence of any contract or agreement, but does not include damages based upon contracts or warranties implied in law or fact.

22. YOUR PRODUCT

Your product means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) **You**;
 - (2) Others trading under **your** name; or
 - (3) A person or organization whose business or assets **you** have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
- b. The providing of or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

23. YOUR WORK

Your work means:

- a. Work or operations performed by **you** or on **your** behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**; and
- b. The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS SPECIAL CONDITIONS

This endorsement modifies insurance covered under the following

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

It is agreed that such coverage as is afforded by the policy to which this endorsement is attached shall not apply to occurrences arising out of operations performed by independent contractors unless the **insured** receives all the following documents from each and every independent contractor prior to the commencement of work:

1. A written agreement holding the **insured** harmless for all liabilities arising out of the work of the independent contractor.
2. Certificates of insurance indicating that the **insured** is named as an additional insured to the insurance policies issued to the independent contractor listed thereon and that coverage is maintained equal to or greater than provided by this policy.
3. Endorsements indicating that the **insured** is named as an additional insured to the insurance policies issued to the independent contractor

The coverage provided by this policy shall apply excess over and above any other valid and collectible insurance available to the insured.

All other terms and conditions of the Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COURSE OF ROOFING OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

It is agreed that such coverage as is afforded by the policy to which this endorsement is attached does not provide coverage for liability of any Insured arising from property damage to buildings, structures, contents, or any real or personal property related thereto, arising from or caused by, in whole or in part, the influx or intrusion of rain, hail, snow or any other form of precipitation during the course of work or operations to or upon a roof or other covering to such building or other structure, whether or not caused by the negligence of the Insured, its principals, agents, subcontractors, or any other person or entity for which the Insured may be liable.

Work or operations upon a roof or other covering structure shall be deemed complete only when all work or operations upon it has been finished, whether the scope of the Insured's work or operations includes completion of the roof or other covering structure, and even then not until the roof or other structure is completely finished from the standpoint of any person or entity involved.

This exclusion applies to liability of an Insured howsoever incurred or alleged, including liability claimed to arise under an Insured contract.

All other terms, conditions and exclusions remain unchanged

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM RETAINED PREMIUM ENDORSEMENT

This endorsement modifies and amends insurance provided under the following:

ALL COVERAGE PARTS

This endorsement sets forth the minimum retained premium for the policy. The minimum retained premium for this policy is calculated in accordance with the following:

1. The minimum retained premium for the policy period is the total policy premium as shown on the policy declarations page plus any premium adjustment by endorsements and any additional premium developed by audit.
2. Audits that indicate a return premium will not reduce the minimum retained premium as stated on the declarations page.
3. If the policy is cancelled by either the insured or company prior to the expiration of the policy, the return premium will be calculated in accordance with the pro rate/short rate cancellation provisions of the policy; however in no event will the company retain less than 25% of the minimum retained premium shown in 1. above.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP)
INSURANCE PROGRAM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This insurance does not apply to **bodily injury** or **property damage** arising out of **your work** or **your products** where a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which **you** are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

1. Provides coverage identical to that provided by this Coverage Part;
2. Has limits adequate to cover all claims; or
3. Remains in effect.
4. This exclusion applies whether or not **you** are enrolled in the consolidated (wrap-up) program.

All other terms and conditions of the Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIMS REPORTING

In the event of any occurrence that may result in a claim against this policy, the Insured should immediately report such occurrence to:

Midlands Claim Administrators, Inc.

Attn: Andrew J. Portka
23801 Calabasas Road, Suite 1000
Calabasas, CA 91302

Phone: (818) 224-2134
Fax: (818) 224-2169

All other terms, conditions and exclusions remain unchanged

RRIC-CGL-E1000 (11/04)

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET PRIMARY INSURANCE ENDORSEMENT / NON-CONTRIBUTORY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Subject to the terms of the Insuring Agreement, it is agreed that such insurance as afforded to the person or organization named as Additional Insured under the applicable Additional Insured Endorsement attaching to this Policy, shall be considered primary for Indemnity only to such person or organization even if other valid and collectible insurance is available to such person or organization for a loss or **occurrence** we cover for such person or organization, but only as respects liability arising out of **your work** performed for the person or organization under an **insured contract** when primary coverage is a requirement of the **insured contract**.

We shall not seek contribution from that other valid and collectible insurance for amounts payable under this insurance for liability arising out of **your work** performed for such person or organization under an **insured contract** when non-contributory coverage is a requirement of the **insured contract**.

This Endorsement applies only to:

1. **Bodily injury** or **property damage** resulting solely from **your work** performed during the policy period; and
2. Liability arising out of or relating to the Named Insured's sole negligence; and
3. **Bodily injury** or **property damage** caused by an **occurrence** under Coverage A not otherwise excluded in the policy to which this Endorsement applies.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONSTRUCTION MATERIALS HAZARD EXCLUSION

Under **SECTION I – COVERAGES**, EXCLUSIONS: COVERAGES A AND B, is amended to include the following additional exclusion:

This insurance does not apply to any **claim, suit, demand or loss** that alleges **bodily injury, property damage or personal injury and advertising injury** that in any way, in whole or in part, arises out of, relates to or results from:

- (1) the actual, alleged or threatened exposure to, consumption of, ingestion of, inhalation of or absorption of, existence of or presence of, either directly or indirectly, any chemicals, gasses, compounds or materials, including but not limited to sulfides, which are in any way present in, originate from, or emanate from a **Construction Material** in any manner or form whatsoever; or
- (2) the actual or alleged failure to warn, advise or instruct related to any chemicals, gasses, compounds or materials, including but not limited to sulfides, which are in any way present in, originate from, or emanate from **Construction Material**, in any manner or form whatsoever; or
- (3) the actual or alleged failure to prevent exposure to any chemicals, gasses, compounds or materials, including but not limited to sulfides, which are in any way present in, originate from, or emanate from a **Construction Material**, in any manner or form whatsoever.

This exclusion includes but is not limited to compliance with any request, demand, order, or statutory or regulatory requirement, or any other action authorized or required by law, or any other claim, "suit", demand, loss, cost or expense arising out of, relating to or resulting from the investigation of, abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of such chemicals, gasses, compounds or materials, as well as any costs, fees, expenses, penalties, judgments, fines, or sanctions arising or resulting there from or relating thereto.

As used in this exclusion, **Construction Material** means any product or material purchased, supplied, installed, or otherwise brought to or incorporated in the subject project, site or location, by any **insured**, including but not limited to wallboard.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF COMMON POLICY CONDITIONS
NOTICE OF CANCELLATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

In consideration of the premium charged, it is hereby understood and agreed that Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 2. b. (1) CANCELLATION, is amended to read as follows:

2. b. **We** may cancel this Policy by mailing or delivering to the first **Named Insured** written notice of cancellation at least:
 - (1) Ten (10) days before the effective date of cancellation if **we** cancel for nonpayment of premium, including payment due on a prior policy **we** issued and due during the current policy term covering the same risk.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

<p>Description And Location Of Premises Or Classification:</p>

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any premises or classification shown in the Schedule:

1. Section **I** – Coverage **C** – Medical Payments does not apply and none of the references to it in the Coverage Part apply; and

2. The following is added to Section **I** – Supplementary Payments:

- h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

It is agreed coverage is provided to the **Additional Insured(s)** named in this endorsement as follows:

1. As respects liability covered under COVERAGE A only, **SECTION II** of the policy (who is an Insured) is amended to include any person or organization that the **Named Insured** has agreed in an **insured contract** to name as an additional insured provided the **bodily injury** or **property damage** first takes place after the execution of the insured contract and the **bodily injury** or **property damage** arises from **your work** performed during the **policy period**.
2. The applicable limit of our liability shall not be increased by the inclusion of any number of Additional Insureds.
3. Other than as expressly modified herein, coverage for the additional insured is governed by the terms and conditions of this policy, including the insuring agreements.
4. The coverage provided for additional insured(s) is only to the extent of and in the proportion the Additional Insured is held liable for the negligence or strict liability/conducts/acts of the Named Insured. No coverage is provided for liability based upon the acts, errors or omissions of the Additional Insured.

All other terms, conditions and exclusions remain unchanged