

Specified Professional Liability and General Liability Insurance Policy

In consideration of the payment of the premium, the undertaking of the Named Insured to pay the deductible as described herein and in the amount stated in the Declarations, in reliance upon the underwriting information submitted on behalf of the Insured, and subject to the limits of liability shown in the Declarations, and subject to all the terms of this insurance, the Company agrees with the Named Insured as follows:

THE INSURED

The unqualified word "Insured", whenever used in this policy, means:

1. The Coverage A Insured, which whenever used in this policy means:
 - a. The Coverage A Named Insured, which is herein defined as the individual, partnership, or corporation designated in Item 1.A. of the Declarations;
 - b. Any present or former partner, officer, director, stockholder or employee of the Coverage A Named Insured solely while acting within the scope of their duties as such;
 - c. Any employee of the Coverage A Named Insured solely while acting within their professional capacity on behalf of the Coverage A Named Insured;
 - d. As respects the liability of each Coverage A Insured above as is otherwise covered herein, the heirs, executors, administrators, assigns and legal representatives of each of the above Coverage A Insureds in the event of death, incapacity or bankruptcy.
2. The Coverage B Insured:
 - a. The Coverage B Named Insured, herein defined as the entity designated in Item 1.B. of the Declarations;
 - b. If the Coverage B Named Insured designated in the Declarations is an individual, the person so designated but only with respect to his conduct of business as a sole proprietor;
 - c. If the Coverage B Named Insured designated in the Declarations is a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
 - d. If the Coverage B Named Insured designated in the Declarations is other than an individual, partnership or joint venture, the organization so designated and any executive officer or director thereof but only with respect to his liability as such;
 - e. Any person (other than an employee of the Coverage B Named Insured) or organization while acting as real estate manager for the Coverage B Named Insured;
 - f. Any employee of the Coverage B Named Insured solely while acting within the scope of his duties as such;
 - g. With respect to the operation, for the purpose of locomotion upon a public highway, of Mobile Equipment registered under any motor vehicle registration law,
 - (1) An employee of the Coverage B Named Insured while operating any such equipment in the course of his employment, and
 - (2) Any other person while operating with the permission of the Coverage B Named Insured any such equipment registered in the name of the Coverage B Named Insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;provided that no person or organization shall be a Coverage B Insured under this paragraph g. with respect to:

- (a) Personal injury to any fellow employee of such person injured in the course of his employment, or
 - (b) Property damage to property owned by, rented to, in charge of or occupied by the Coverage B Named Insured or the employer of any person described in subparagraph (2);
- h. The heirs, executors, administrators, assigns and legal representatives of each Coverage B Insured above in the event of death, incapacity or bankruptcy, but only while acting within the scope of their duties as such on behalf of the Coverage B Insured or of the Coverage B Insured's estate.

This policy does not apply to Personal Injury or Property Damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in the Declarations as a Named Insured.

THE COVERAGE

1. **COVERAGE A -- Professional Liability and Claims Made Clause:** Subject to both the limits of liability and deductible, the Company shall pay on behalf of the Coverage A Insured sums which the Coverage A Insured shall become legally obligated to pay as Damages as a result of CLAIMS FIRST MADE AGAINST THE COVERAGE A INSURED DURING THE POLICY PERIOD by reason of any act, error or omission in Professional Services as specified in the Declarations committed or alleged to have been committed by the Coverage A Insured or by any person for whom the Coverage A Insured is legally liable PROVIDED ALWAYS THAT such act, error or omission happens:
 - a. During the Policy Period; or
 - b. Subsequent to the Retroactive Date as stated in the Declarations provided that, on or prior to the effective date of this policy, the Coverage A Insured had no knowledge of circumstances, involving such act, error or omission, which may result in a Claim under this policy.
2. **COVERAGE B -- General Liability and Claims Made Clause:** Subject to both the limits of liability and deductible, the Company shall pay on behalf of the Coverage B Insured sums which the Coverage B Insured shall become legally obligated to pay as Damages as a result of CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD for Personal Injury or Property Damage to which this insurance applies, caused by an Accident PROVIDED ALWAYS THAT:
 - a. The Accident takes place subsequent to the Retroactive Date as stated in the Declarations; and
 - b. Solely in respect to the Products Hazard or Completed Operations Hazard, as defined herein, such Personal Injury or Property Damage arises out of only those operations, goods or products specified in the Declarations.

It is a condition precedent to coverage under this policy that all Claims be reported in compliance with the section CLAIMS 1, Notice of Claim or Suit.

3. **Defense, Settlement:** With respect to the insurance afforded by this policy, the Company shall defend any Claim against the Insured seeking Damages to which this insurance applies, even if any of the allegations of the suit are groundless, false or fraudulent. It is further agreed that the Company may make such investigation and settlement of any Claim as it deems expedient, but the Company shall not be obligated to pay any Claim, judgment or Claim Expenses or to defend or continue to defend any Claim after the applicable limit of the Company's liability has been exhausted by payment of judgments, settlements, or Claim Expenses.
4. **Discovery Clause:** If during the Policy Period or any optional Extended Discovery Period purchased hereunder, the Insured first becomes aware that the Coverage A Insured has committed an act, error or omission in Professional Services as specified in the Declarations for which coverage is provided under THE COVERAGE 1 or first becomes aware of an Accident, which may result in a Claim for which coverage is provided under THE COVERAGE 2, and if the Insured shall during the Policy

Period or the optional Extended Discovery Period purchased hereunder give written notice to the Company of:

- a. The specific act, error, omission or Accident; and
- b. The injury or damage which has or may result from such act, error, omission or Accident; and
- c. The circumstances by which the Insured first became aware of such act, error, omission or Accident;

Then any Claim subsequently made against the Insured arising out of such act, error, omission or Accident shall be deemed for the purposes of this insurance to have been made on the date on which such written notice was given to the Company.

The Insured shall cooperate fully with the Company as provided in CLAIMS 1 and 2, and any investigation conducted by the Company or its representatives shall be subject to the terms set forth in this policy as applicable to a Claim.

- 5. Option to Purchase an Extended Discovery Period:** If the Authorized Named Insured does not renew this policy after complying with all the terms and conditions hereof, including the payment of all premiums and/or deductibles when due, or if the Company shall cancel this policy or terminate it by refusing to renew for reasons other than the non-payment of premiums and/or deductibles or non-compliance with the terms and conditions of this policy, the Authorized Named Insured upon payment of an additional premium calculated at that percentage shown in the Declarations of the ADJUSTED premium for the Policy Period (but in no event less than that percentage shown in the Declarations of the minimum and deposit premium stated in the Declarations) shall have the option to extend such insurance as is afforded by this policy to apply to CLAIMS FIRST MADE AGAINST THE INSURED DURING TWELVE (12) CALENDAR MONTHS following immediately upon the effective date of such cancellation or non-renewal, but only by reason of:

- a. An act, error or omission in Professional Services as specified in the Declarations committed subsequent to the Retroactive Date as stated in the Declarations; or
- b. Personal Injury or Property Damage sustained subsequent to the Retroactive Date;

and prior to the effective date of such cancellation or non-renewal, and which is otherwise covered by this insurance. The extension of coverage for Claims made subsequent to termination of the Policy Period, if purchased, must be endorsed hereto and shall be referred to as the Extended Discovery Period.

If, however, this insurance is immediately succeeded by similar CLAIMS MADE insurance coverage on which the Retroactive Date is the same as or earlier than that shown in the Declarations of this policy, the succeeding insurance shall be deemed to be a renewal hereof and, in consequence, the Authorized Named Insured shall have no right to secure an Extended Discovery Period.

As a condition precedent to the Authorized Named Insured's right to purchase the Extended Discovery Period, the Authorized Named Insured must have paid all deductibles when due and must have tendered payment of all premiums due for the Policy Period in accordance with OTHER CONDITIONS 7, Premium and Audit.

The Authorized Named Insured's right to purchase the Extended Discovery Period must be exercised in writing not later than thirty (30) days after the cancellation or termination date of this policy and must include tender of the entire premium for the Extended Discovery Period. If such notice and tender is not so given to the Company, directed to Shand Morahan & Company, Inc., the Authorized Named Insured shall not at a later date be able to exercise such right.

At the commencement of any Extended Discovery Period, the entire premium therefor shall be deemed earned, and in the event the Authorized Named Insured terminates the Extended Discovery Period before its term for any reason, the Company shall not be liable to return to the Authorized Named Insured any portion of the premium paid for the Extended Discovery Period. It is understood

that OTHER CONDITIONS 6, Cancellation, is superceded only to the extent of the intention expressed herein.

The fact that the insurance afforded by this policy must be extended by virtue of the Extended Discovery Period shall not in any way increase the limits of liability set forth in the Declarations.

THE EXCLUSIONS

1. Coverage A of this policy does not apply:
 - a. To any Claim based upon or arising out of any dishonest, deliberately fraudulent, malicious or knowingly wrongful act or omission committed by or at the direction of the Insured; however, notwithstanding the foregoing, the Company shall provide a defense for such Claim without liability on the part of the Company to pay such sums as the Insured shall become legally obligated to pay as Damages;
 - b. To any liability arising out of the Insured's services and/or capacity as:
 - (1) An officer, director, partner, trustee or employee of a business enterprise not named in the Declarations;
 - (2) An officer, director, partner, trustee or employee of a charitable organization or pension, welfare, profit sharing, mutual or investment fund or trust;
 - c. To any Claim made by any business enterprise which is operated or managed or owned, in whole or in part, by the Coverage A Named Insured or parent company or any affiliated, subsidiary or associated company;
 - d. To any Claim arising out of infringement of patent, copyright or trademark;
 - e. To any Claim for Personal Injury or Property Damage;
 - f. To any Claim based upon or arising out of a violation or alleged violation of the Securities Act of 1933 as amended or the Securities Exchange Act of 1934 as amended or any state Blue Sky or securities law or similar state or federal statute and any regulation or order issued pursuant to any of the foregoing statutes;
 - g. To the liability of others assumed by the Coverage A Insured under any contract or agreement, unless such liability would have attached to the Coverage A Insured even in the absence of such agreement;
 - h. To any Claim arising out of the bankruptcy or insolvency of the Insured;
 - i. To any Claim arising out of unauthorized access to the Insured's electronic data processing system.
2. Coverage B of this policy does not apply:
 - a. To liability assumed by the Coverage B Insured under any contract or agreement except an Incidental Contract; but this exclusion does not apply to a warranty of fitness or quality of the Named Insured's Products or a warranty that work performed by or on behalf of the Coverage B Named Insured will be done in a workmanlike manner;
 - b. To any Claim based upon or arising out of Property Damage to premises alienated by the Coverage B Named Insured arising out of such premises or any part thereof;
 - c. To any Claim based upon or arising out of loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - (1) A delay in or lack of performance by or on behalf of the Coverage B Named Insured of any contract or agreement; or

- (2) The failure of the Named Insured's Products or work performed by or on behalf of the Coverage B Named Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Coverage B Named Insured;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Named Insured's Products or work performed by or on behalf of the Coverage B Named Insured after such products or work have been put to use by any person or organization other than an Insured;

- d. To any Claim based upon or arising out of Property Damage to the Named Insured's Products, or for the cost of inspecting, repairing or replacing any defective or allegedly defective product or part thereof or for loss of use of any defective or allegedly defective product;
- e. To Property Damage to work performed by or on behalf of the Coverage B Named Insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- f. To Damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the Named Insured's Products or work completed by or for the Coverage B Named Insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- g. To any Claim based upon or arising out of Personal Injury or Property Damage arising out of ownership, maintenance, operation, use, loading or unloading of:
- (1) Any Automobile, aircraft or watercraft owned or operated by or rented or loaned to any Insured; or
- (2) Any other Automobile, aircraft or watercraft operated by any person in the course of his employment by an Insured;

but this exclusion does not apply to the parking of any Automobile on premises owned by, rented to or controlled by the Coverage B Named Insured or the ways immediately adjoining, if such Automobile is not owned by or rented or loaned to any Insured, and this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the Coverage B Named Insured;

- h. To any Claim based upon or arising out of Personal Injury or Property Damage arising out of:
- (1) The ownership, maintenance, operation, use, loading or unloading of any Mobile Equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for such contest or activity; or
- (2) The operation or use of any snowmobile, moped or motorized bicycle, or trailer designed for use therewith;
- i. To any Claim based upon or arising out of Personal Injury or Property Damage arising out of and in the course of the transportation of Mobile Equipment by an Automobile owned or operated by or rented or loaned to any Insured;
- j. To any Claim based upon or arising out of Property Damage to:
- (1) property owned or occupied or rented to the Insured;
- (2) property used by the Insured; or
- (3) property in the care, custody or control of the Insured or as to which the Insured is for any purpose exercising physical control;

but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to Property

Damage (other than to Elevators) arising out of the use of an Elevator at premises owned by, rented to or controlled by the Coverage B Named Insured;

- k. To any Claim based upon or arising out of any obligation for which the Insured or any carrier as his insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;
 - l. To any Claim based upon or arising out of Personal Injury to any employee of the Insured arising out of and in the course of his employment by the Insured or to any obligation of the Insured to indemnify another because of Damages arising out of such injury;
 - m. To any Claim based upon or arising out of Personal Injury or Property Damage for which the Insured or his indemnitee may be held liable:
 - (1) As a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or
 - (2) If not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage;
 - n. To any Claim based upon or arising out of Personal Injury or Property Damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing with respect to liability assumed by the Insured under an Incidental Contract;
 - o. To any Claim based upon or arising out of Aircraft Products including consequential loss of use thereof resulting from Grounding;
 - p. To any Claim arising out of the rendering of or failure to render professional services by the Insured or by any person or organization for whose acts or omissions the Insured is legally responsible;
 - q. To any Claim based upon or arising out of Personal Injury or Property Damage resulting from the use of force expected or intended from the standpoint of the Insured; however, this exclusion does not apply to Personal Injury resulting from the use of reasonable force to protect persons or property
3. With respect to both Coverage A and B, this policy does not apply:
- a. To any Claim based upon or arising out of Personal Injury or Property Damage arising out of the discharge, dispersal, release or escape of smoke; vapors; soot; fumes; acids; alkalis; toxic chemicals, liquids or gases; waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any other watercourse or body of water;

It is further agreed that this policy shall not apply to any Claim for or cost or expenses of or in connection with:
 - (1) Cleaning up, containing or remediating the premises of the Insured; and/or
 - (2) Neutralizing, restoring, landfilling, cleaning up or inactivating any site due to dumping, the disposal, storage treatment, destruction or reclamation of wastes or by-products;
 - b. To any Claim based upon or arising out of discrimination by any Insured on the basis of race, creed, age, sex or marital status;
 - c. To any Claim based upon or arising out of the Insured's activities as a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto.

TERRITORY

1. With respect to Coverage A of this policy, the insurance afforded by this policy applies worldwide, provided Claim is made in the United States of America, its territories or possessions, or Canada.
2. With respect to Coverage B of this policy, the insurance afforded by this policy applies only to Personal Injury or Property Damage which takes place within:
 - a. The United States of America, its territories or possessions, or Canada; or
 - b. International waters or air space, provided the Personal Injury or Property Damage does not occur in the course of travel or transportation to or from any other country, state or nation; or
 - c. Anywhere in the world with respect to Damages because of Personal Injury or Property Damage arising out of the Named Insured's Products which were sold for use or consumption within the territory described in paragraph 1 above, provided the original suit for such Damages is brought within such territory.

LIMITS OF LIABILITY

1. **Coverage A - Professional Liability Coverage - Each Claim:** The total liability of the Company for the combined total of Damages and Claim Expenses for each CLAIM FIRST MADE AGAINST THE COVERAGE A INSURED DURING THE POLICY PERIOD including the optional Extended Discovery Period, if purchased, shall not exceed the limit of liability stated in Item 7 of the Declarations as applicable to "each Claim."
2. **Coverage B - General Liability - Each Accident:** The total liability of the Company for the combined total of Damages and Claim Expenses for all CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD including the optional Extended Discovery Period, if purchased, because of all Personal Injury and Property Damage sustained by one or more persons or entities as the result of any one Accident shall not exceed the limit of liability stated in Item 7 of the Declarations as applicable to "each Accident."
3. **Coverage A and B - Policy Aggregate:** Subject to the above provisions respecting "each Claim" under Coverage A and "each Accident" under Coverage B, the total liability of the Company for the combined total of Damages and Claim Expenses for all CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD including the optional Extended Discovery Period, if purchased, shall not exceed the limit of liability stated in Item 7 of the Declarations as "policy aggregate."
4. **Deductible:** With respect to Coverage A and B individually, the deductible amounts stated in Item 8 of the Declarations shall be paid by the Authorized Named Insured and shall be applicable, as stated, to each Claim or to each Accident and shall include the combined total of Damages and Claim Expenses, whether or not payment for Damages is made.

Such amounts shall, upon written demand by the Company, be paid by the Authorized Named Insured within ten (10) days. The total payments requested from the Authorized Named Insured in respect of each Claim or each Accident shall not exceed the deductible amount stated in the Declarations.

The determination of the Company as to the reasonableness of the Claim Expenses shall be conclusive on the Coverage A and Coverage B Named Insureds.

5. **Multiple Insureds, Claims and Claimants:** The inclusion herein of more than one Insured or the making of Claims or the bringing of suits by more than one person or organization shall not operate to increase the Company's limit of liability.

With respect to Coverage A, two or more Claims arising out of a single act, error or omission or a series of related acts, errors or omissions shall be treated as a single Claim. All such Claims, whenever made, shall be considered first made on the date on which the earliest Claim arising out of

such acts, errors or omissions was first made, and all such Claims shall be subject to the same limit of liability and deductible.

With respect to Coverage B, two or more Claims arising out of a single Accident shall be treated as a single Claim. All such Claims, whenever made, shall be considered first made on the date on which the earliest Claim arising out of such Accident was first made, and all such Claims shall be subject to the same limit of liability and deductible.

- 6. Payment of Claim Expenses:** Subject to the Authorized Named Insured's obligation to pay the deductible as set forth in LIMITS OF LIABILITY 4, which includes an obligation to pay Damages and Claim Expenses, the Company shall pay Damages and Claim Expenses subject to the applicable limits of liability. The total of such Damages and Claim Expenses for each Claim or each Accident shall not exceed the applicable limit of liability stated on the Declarations.

DEFINITIONS

Accident means, wherever used in this policy, an event or happening, including continuous or repeated exposure to substantially the same general harmful conditions, which involves one or more persons or entities, and which results in Personal Injury or Property Damage.

Admissions means, wherever used as a premium basis, the total number of persons, other than employees of the Coverage A and Coverage B Named Insureds, admitted to the event insured or to events conducted on the premises whether on paid admission tickets, complimentary tickets or passes.

Aircraft Products, means, wherever used in this policy, any aircraft whether or not heavier than air (including spacecraft and missiles) and any ground support, guidance, control or communications equipment used in connection therewith, and also includes parts, supplies, or equipment installed in or on or used in connection with aircraft, including tools, training aids, instructions, manuals, blueprints and other data, engineering and other advice, services and labor used in the operation, maintenance or manufacture of aircraft products.

Authorized Named Insured means, wherever used in this policy, the first entity listed in Item 1.A. of the Declarations.

Automobile means, wherever used in this policy, a land motor vehicle, trailer or semitrailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include Mobile Equipment, as hereinafter defined.

Claim means, wherever used in this policy:

1. Under Coverage A, a demand received by the Coverage A Insured for compensation for Damages, including the service of suit or institution of arbitration proceedings against the Coverage A Insured.
2. Under Coverage B, a notice received by the Coverage B Insured of an intention to hold the Coverage B Insured responsible for an Accident involving this policy and shall include the service of suit or institution of arbitration proceedings against the Coverage B Insured.

Claim Expenses means, wherever used in this policy:

1. Fees charged by any lawyer designated by the Company;
2. All other fees, cost and expenses resulting from the investigation, adjustment, defense and appeal of a Claim, if incurred by the Company;
3. Fees charged by any lawyer designated by the Insured with the written consent of the Company.

However, "Claim Expenses" does not include salary charges of regular employees or officials of the Company or of any supervisory counsel retained by the Company.

Completed Operations Hazard means, wherever used in this policy, Personal Injury and Property Damage arising out of only those operations specified in the Declarations or reliance upon a representation or warranty with respect thereto, but only if the Personal Injury or Property Damage is sustained subsequent to the Retroactive Date set forth in the Declarations and after such operations have been completed or

abandoned and occurs away from premises owned by or rented to the Insured. "Operations" includes materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

1. When all operations to be performed by or on behalf of the Insured under the contract have been completed;
2. When all operations to be performed by or on behalf of the Insured at the site of the operations have been completed; or
3. When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed complete. THE COMPLETED OPERATIONS HAZARD DOES NOT INCLUDE Personal Injury or Property Damage arising out of:

- (a) operations in connection with the transportation of property, unless the Personal Injury or Property Damage arises out of a condition in or on a vehicle created by the loading or unloading thereof; or
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials.

Cost means, wherever used as a premium basis, the total cost to the Coverage A and Coverage B Named Insureds with respect to operations performed for such Named Insureds during the Policy Period by independent contractors of all work let or sublet in connection with each specific project, including the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or subcontractor, including all fees, allowances, bonuses or commissions made, paid or due.

Damages means, wherever used in this policy, compensatory damages and does not include:

1. Fines, exemplary or punitive damages, statutory or other penalties, trebled or other multiple damages imposed pursuant to statute or regulation or any exemplary or punitive damages of whatsoever kind imposed pursuant to statute or regulation; or
2. Judgments or awards deemed uninsurable by law.

Elevator means, wherever used in this policy, any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery.

Gross Receipts means, wherever used as a premium basis, not only "Sales" as defined elsewhere in this policy, but also total income, exclusive of deductions, from any other source, insofar as the Sales or other gross receipts relate to or emanate from operations or services specified in the Declarations performed during the Policy Period by or on behalf of the Insured.

Grounding means, wherever used in this policy, the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft because of the existence of or alleged existence of a defect, fault or condition in any aircraft product.

Incidental Contract means, wherever used in this policy, any written (1) lease of premises; (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad; (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality; (4) sidetrack agreement; or (5) Elevator maintenance agreement.

Mobile Equipment means, wherever used in this policy, any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, on which are permanently mounted;
 - a. Power cranes, shovels, loaders, diggers, or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in 1, 2, 3, or 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to lift workers to heights;
6. Vehicles not described in 1, 2, 3, or 4 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 "Automobiles":

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

Named Insured's Products means, wherever used in this policy, goods or products manufactured, sold, handled or distributed by the Coverage B Named Insured or by others trading under his name, including any container thereof (other than a vehicle) BUT SHALL NOT INCLUDE a vending machine or any property, other than such container rented to or located for use of others but not sold.

Personal Injury means, wherever used in this policy:

1. Bodily injury, sickness or disease including death resulting therefrom sustained by any person;
2. False arrest, detention or imprisonment, wrongful entry or eviction or other invasion of private occupancy, malicious prosecution or humiliation, except when maliciously inflicted by, at the direction of, or with the consent or acquiescence of the Insured;
3. The publication or utterance of libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy except when maliciously published or uttered by, at the direction of, or with the consent or acquiescence of the Insured.

Policy Period means, wherever used in this policy, the period from the inception date of this policy to the policy expiration date as set forth in the Declarations or its earlier termination date, if any.

Products Hazard means, wherever used in this policy, Personal Injury or Property Damage arising out of only those goods or products specified in the Declarations which are the Named Insured's Products or reliance upon a representation or warranty with respect thereto, but only if the Personal Injury or Property Damage is sustained subsequent to the Retroactive Date set forth in the Declarations and away from premises owned by or rented to the Coverage B Named Insured and after physical possession of such products has been relinquished to others.

Property Damage means, wherever used in this policy, physical injury to or destruction of tangible property, including consequential loss of use thereof, or loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an Accident.

Receipts means, wherever used as a premium basis, the gross amount of money charged by the Coverage A and Coverage B Named Insureds for such operations performed by such Named Insureds or by others during the Policy Period as are rated on a receipts basis other than receipts from telecasting, broadcasting or motion pictures, and includes taxes, other than taxes which such Named Insureds collect as a separate item and remits directly to a governmental division.

Remuneration means, wherever used as a premium basis, the entire remuneration earned during the Policy Period by proprietors and by all employees of the Coverage A and Coverage B Named Insureds, other than chauffeurs (except operators of Mobile Equipment) and aircraft pilots and co-pilots, subject to any overtime earnings or limitation of remuneration rule applicable in accordance with the manuals in use by the Company.

Sales means, wherever used as a premium basis, the gross amount of money charged by the Coverage A and Coverage B Named Insureds or by others trading under such Insureds' names for all goods and products sold or distributed during the Policy Period and charged during the Policy Period for installation, servicing or repair, and includes taxes, other than taxes which the Coverage A and Coverage B Named Insureds and such others collect as a separate item and remit directly to a governmental division.

Workers' Compensation Payroll means, wherever used in this policy, the entire remuneration earned during the Policy Period by all employees of the Coverage A and Coverage B Named Insureds, subject to any overtime earnings or limitation of remuneration rule applied by the workers' compensation insurers.

CLAIMS

1. **Notice of Claim or Suit:** As a condition precedent to the right to the protection afforded by this insurance, the Insured shall, as soon as practicable, give to the Company written notice directed to SHAND MORAHAN & COMPANY, INC., Ten Parkway North, Deerfield, Illinois 60015, of any Claim made against him.

In the event suit is brought against the Insured, the Insured shall IMMEDIATELY forward to the Company through SHAND MORAHAN & COMPANY, INC. every demand, notice, summons or other process received by him or by his representatives.

2. **Assistance and Cooperation of the Insured:** The Insured shall cooperate with the Company and upon the Company's request shall submit to examination and interrogation by a representative of the Company, under oath if required, and shall attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, as well as in the giving of a written statement or statements to the Company's representatives and meeting with such representatives for the purpose of investigation and/or defense, all without charge to the Company. The Insured shall further cooperate with the Company and do whatever is necessary to secure and effect any right of indemnity, contribution or apportionment which the Insured may have. The Insured shall not, except at his own cost, make any payment, admit any liability, settle any Claims, assume any obligation or incur any expense without the written consent of the Company.
3. **Subrogation:** In the event of any payment under this policy, the Company shall be subrogated to all the Insured's rights of recovery therefor against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after the Claim to prejudice such rights.

The Company shall not exercise any such rights against any person, firms or corporations included in the definition of "Insured." Notwithstanding the foregoing, however, the Company reserves the right to exercise any rights of subrogation against an Insured in respect of any Claim brought about or contributed to by the intentional, dishonest, fraudulent, criminal or malicious act or omission of such Insured.

Any amount so recovered shall be apportioned as follows:

Any recovery shall first be used for the repayment of expenses incurred toward subrogation; second, to any loss and expense payment by the Insured in excess of any deductible(s); third, to any loss and expense payments by any excess carrier on behalf of the Insured; fourth, to any loss and expense payments by any primary carrier on behalf of the Insured; and, last, to repayment of the Insured's deductible.

- 4. Action Against the Company:** No action shall lie against the Company unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this policy, nor until the amount of the Insured's obligation to pay shall have been fully and finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Company.

Nothing contained in this policy shall give any person or organization any right to join the Company as a co-defendant in any action against the Insured to determine the Insured's liability. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of any of its obligations hereunder.

- 5. False or Fraudulent Claims:** If any Insured shall commit fraud in proffering any Claim as regards amount or otherwise, this insurance shall become void as to such Insured from the date such fraudulent Claim is proffered.

OTHER CONDITIONS

- 1. Application:** By acceptance of this policy, the Insured agrees that the statements in the applications are his representations, that they shall be deemed material and that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company, or any of its agents, relating to this insurance.
- 2. Prevention of Loss:** In the event of any Accident involving the operations/hazards covered by this policy, the Insured shall promptly, at his expense, take all reasonable steps to prevent other Personal Injury or Property Damage from arising out of the same or similar conditions.
- 3. Other Insurance:** This insurance shall be in excess of the amount of the applicable deductible of this policy and any other valid and collectible insurance available to the Insured whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as a specific excess insurance over the limits of liability provided in this policy.
- 4. Changes:** Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Company shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of the policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.
- 5. Assignment:** Assignment of interest under this policy shall not bind the Company unless its consent is endorsed hereon.
- 6. Cancellation:** This policy may be cancelled by the Authorized Named Insured on behalf of all Insureds by surrender thereof to the Company or to Shand Morahan & Company, Inc., Ten Parkway North, Deerfield, Illinois 60015 or by mailing to the aforementioned written notice stating when thereafter such cancellation shall be effective. If cancelled by the Authorized Named Insured, the Company shall retain the customary short rate proportion of the premium.

This policy may be cancelled by the Company or by Shand Morahan & Company, Inc. by mailing to the Authorized Named Insured, at the address stated in the Declarations, written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective. However, if the Company cancels the policy because the Authorized Named Insured has failed to pay a premium or deductible when due, this policy may be cancelled by the Company by mailing a written notice of cancellation to

the Authorized Named Insured stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the Policy Period. Such notices shall be conclusive on all Insureds. Delivery of such written notice by the Authorized Named Insured, the Company or Shand Morahan & Company, Inc. shall be equivalent to mailing. If cancelled by the Company or Shand Morahan & Company, Inc., earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter.

7. **Premium and Audit:** Upon expiration of this policy, the Insured shall furnish to the person(s) specified for the purpose in the Declarations, on behalf of the Company, with a statement of the Insured's actual total Sales or other premium base as specified in Item 9 of the Declarations for the Policy Period. The actual earned premium shall be computed thereon at the premium rate stipulated in the Declarations. If the actual earned premium is more than the deposit premium the Insured shall pay the difference to the Company; if less, the Company shall refund the difference to the Insured except that the Company shall be entitled to the minimum premium as stated in the Declarations. The Company or its authorized representatives shall have the right to require of the Insured, at any time within the said Policy Period or one year thereafter, a sworn statement of the entire amount (or number) of such total Sales or other premium base during the whole or any specified part of the said period, and the Insured shall furnish said statement within ten (10) days after request. The statement referred to shall be subject to verification and audit by a duly authorized representative of the Company, who shall have the right and opportunity to examine the books and records of the Insured as respects such total Sales or other basis of premium, and such examination may be made at any time during the said period and within three (3) years thereafter. The rendering of any estimate or statement or the making of any previous settlement shall not bar the examination herein provided for, nor the Company's right to additional premium.
8. **Inspection:** Any of the Company's authorized representatives shall have the right and opportunity, whenever the Company so desires, to inspect at any reasonable time the Insured's premises and operations, but the Company assumes no responsibility or duty by reason of such inspection or the omission thereof. The Insured agrees to provide appropriate personnel to assist the Company's representatives during such inspection without cost to the Company.
9. **Reporting of Changes in Premises or Operations:** The premium charged for this policy is based on those premises and operations identified in the underwriting information submitted to the Company on behalf of the Insured at the time of policy inception. The Insured shall report promptly to the Company any changes in premises or operations as described below, and the Company shall have the right to adjust the premium and/or deductibles for such changes, based on its sole assessment of the additional exposure(s) presented.

Changes to report:

- a. Any changes to manufacturing or servicing premises requiring structural alterations, or acquisition of additional manufacturing or servicing premises;
- b. Any changes in manufacturing or servicing operations which is likely to result in an annual increase in payrolls of 25% or more;
- c. Any change in operations which are not accurately described by the description of covered operations as shown on the Declarations.

With respect to the Products Hazard and the Completed Operations Hazard as defined herein, this policy shall apply to only those products or completed operations specified in the Declarations, irrespective of any changes reported.

10. **Authorization:** By acceptance of this policy, the first entity named in Item 1.A. of the Declarations agrees to act as the Authorized Named Insured with respect to the giving and receiving of all notices as provided herein: the exercise of the optional Extended Discovery Period; the cancellation of this policy, in whole or in part; the payment of premiums and deductibles when due; the providing of any

statement of actual total Sales or other premium base as requested pursuant to OTHER CONDITIONS 7, Premium and Audit; and the receiving of any return premiums that may become due under this policy; and the Insureds agree that such entity shall act on their behalf.

- 11. Service of Suit:** It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Named Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon General Counsel, Legal Department, Shand Morahan & Company, Inc., Ten Parkway North, Deerfield, Illinois 60015 and that in any suit instituted against the Company upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Company hereby designates the Superintendent, Commissioner, or Director of Insurance or other official specified for that purpose in the statute, or his/her successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Named Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above-named counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Secretary, but this policy shall not be valid unless countersigned on the Declarations page by a duly authorized representative of the Company.

SPECIMEN

Secretary

SPECIMEN

President

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)

This endorsement modifies the provisions of this policy.

It is agreed that:

1. This policy does not apply:

- A. Under any Liability Coverage, to bodily injury or property damage
 - (1) with respect to which an Insured under this policy is also an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the Insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any Medical Payments Coverage, or any Supplementary Payments provision relating to first aid, to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- C. Under any Liability Coverage, to bodily injury or property damage resulting from the hazardous properties of nuclear material, if
 - (1) the nuclear material (a) is at any nuclear facility owned by, or operated by or on behalf of, an Insured or (b) has been discharged or dispersed therefrom;
 - (2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an Insured; or
 - (3) the bodily injury or property damage arises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to property damage to such nuclear facility and any property thereat.

2. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or by-product material;

"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;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste.

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:

Policy No.:

Endorsement No.: 1

Effective Date:

MOLD EXCLUSION

In consideration of the premium paid, it is hereby understood and agreed that this policy does not apply to any Claim based upon, arising out of, or in any way involving **Mold** or **Mold Event**.

Solely for the purposes of this endorsement:

Mold means any permanent or transient fungus, mold, mildew or mycotoxin, or any of the spores, scents or by-products resulting therefrom that exist, emanate from or move anywhere indoors or outdoors, regardless of whether they are proved to cause disease, injury or damage.

Mold Event means any actual, alleged or threat of contact with, exposure to, or inhalation, ingestion, absorption, discharge, dispersal, seepage, migration, release, escape, presence, growth or reproduction of **Mold**.

All other terms and conditions remain unchanged.

SPECIMEN

(Authorized Representative)