

CONTRACTORS POLLUTION LIABILITY POLICY

NOTICE

PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE THE INSURED'S RIGHTS AND DUTIES, AND WHAT IS AND IS NOT COVERED. VARIOUS PROVISIONS THROUGHOUT THIS POLICY RESTRICT OR EXCLUDE COVERAGE. PLEASE NOTE THAT CERTAIN COVERAGE IS DEPENDENT UPON IMMEDIATE NOTICE TO THE COMPANY. PLEASE NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE MAY REDUCE THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSS AND SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT. THE DETERMINATION OF WHETHER BODILY INJURY, PROPERTY DAMAGE OR ENVIRONMENTAL DAMAGE HAS OCCURRED DURING THE POLICY PERIOD, AND OTHER POLICY PROVISIONS, MAY BE DIFFERENT FROM OTHER POLICIES THE NAMED INSURED HAS PURCHASED.

TERMS APPEARING IN BOLD-FACED TYPE OTHER THAN SECTION HEADINGS ARE DEFINED IN SECTION VI.

In consideration of payment of the premium and deductible by the **Named Insured** and in reliance upon the statements in the **Named Insured's** Application made a part hereof, the Company agrees with the **Insured**, subject to all the terms, exclusions and conditions of this Policy, as follows:

I. INSURING AGREEMENTS

1. COVERAGES

COVERAGE A - LEGAL LIABILITY

1. The Company will pay on behalf of the **Insured** all sums that the **Insured** shall become legally obligated to pay as **Loss** as a result of **Claims** for **Bodily Injury, Property Damage or Environmental Damage** resulting from **Pollution Conditions** caused by **Covered Operations**. The **Pollution Conditions** must be unexpected and unintended from the standpoint of the **Insured**. The **Bodily Injury, Property Damage, or Environmental Damage** must occur during the **Policy Period**.
2. Progressive, indivisible **Bodily Injury, Property Damage or Environmental Damage** over a period of days, weeks, months or longer caused by the same, related or continuous **Pollution Conditions** shall be deemed to have occurred only on the date of first exposure to such **Pollution Conditions**.

However, if the date of first exposure is before the inception date of the first Contractors Pollution Liability Policy the Company issued to the **Named Insured** providing coverage for **Bodily Injury, Property Damage or Environmental Damage** which occurs during the **Policy Period**, or cannot be determined, but the progressive, indivisible **Bodily Injury, Property Damage or Environmental Damage** continues in fact to exist during this **Policy Period**, it will be deemed to have occurred only on the inception date of such first Contractors Pollution Liability Policy providing coverage for **Bodily Injury, Property Damage, or Environmental Damage** which occurs during the **Policy Period**.

3. If the same, related or continuous **Pollution Conditions** result in **Bodily Injury, Property Damage or Environmental Damage** which occurs during the policy periods of different Contractors Pollution Liability policies the Company has issued to the **Named Insured**, providing coverage for **Bodily Injury, Property Damage or Environmental Damage** which occurs during the **Policy Period**:

NOTICE: THIS INSURER IS NOT LICENSED IN THE STATE OF NEW YORK AND IS NOT SUBJECT TO ITS SUPERVISION

(i) All such **Bodily Injury, Property Damage or Environmental Damage** shall be deemed to have occurred only during the first policy period of such Contractors Pollution Liability policy in which any of the **Bodily Injury, Property Damage or Environmental Damage** occurred; and

(ii) All **Loss** from all such **Bodily Injury, Property Damage or Environmental Damage** shall be subject to the "Each Loss" Limit applicable under the policy described in Paragraph 3.(i) above.

COVERAGE B - EMERGENCY RESPONSE COSTS

The Company will pay **Emergency Response Costs** resulting from **Pollution Conditions** caused by **Covered Operations**. **Emergency Response Costs** must be first incurred by the **Insured** and reported to the Company during the **Policy Period**.

For this Coverage to apply, all of the following conditions must be satisfied:

1. The **Insured** must report the **Emergency Response Costs** to the Company, in writing, as provided in Section III. **CLAIMS AND NOTICE PROVISIONS, A. INSURED'S DUTIES WHEN THERE IS A CLAIM, EMERGENCY RESPONSE COSTS, CRISIS MANAGEMENT EVENT OR PRE-CLAIM CIRCUMSTANCE** Subparagraph 1. and Subparagraph 3. of this Policy, during the **Policy Period**;
2. Such **Pollution Conditions** must be unexpected and unintended from the standpoint of the **Insured**; and
3. Such **Pollution Conditions** do not arise from **Microbial Matter** or *Legionella pneumophila*.

COVERAGE C - PRE-CLAIM CIRCUMSTANCE EXPENSES

The Company will pay **Pre-Claim Expenses** on behalf of the **Insured**.

For this Coverage to apply, all of the following conditions must be satisfied:

1. The **Insured** must first become aware of the **Pre-Claim Circumstance** during the **Policy Period**; and
2. The **Insured** must report the **Pre-Claim Circumstance** to the Company, in writing during the **Policy Period**, as provided in Section III. **CLAIMS AND NOTICE PROVISIONS, INSURED'S DUTIES WHEN THERE IS A CLAIM, EMERGENCY RESPONSE COSTS, CRISIS MANAGEMENT EVENT OR PRE-CLAIM CIRCUMSTANCE**.

COVERAGE D - CRISISRESPONSE® AND CRISIS MANAGEMENT

1. The Company will pay **CrisisResponse® Costs** on behalf of the **Insured** that may be associated with **Loss** covered by this Policy arising from a **Crisis Management Event** first commencing during the **Policy Period**. The Company will advance **CrisisResponse® Costs** that may be associated with **Loss** covered by this Policy directly to third parties.
2. The Company will pay **Crisis Management Loss** on behalf of the **Insured** arising from a **Crisis Management Event** first commencing during the **Policy Period**. A **Crisis Management Event** shall first commence at the time during the **Policy Period** when a **Responsible Insured** first becomes aware of **Pollution Conditions** that gives rise to a **Crisis Management Event** and shall end at the earliest of the time when the Company determines that a crisis no longer exists or when the **CrisisResponse®** limit of insurance and/or the **Crisis Management** limit of insurance, whichever applies, as described in Section IV. **LIMITS OF LIABILITY AND DEDUCTIBLE** has been exhausted.

3. Any advancement of **CrisisResponse® Costs** or payment of **Crisis Management Loss** that the Company makes under the coverage provided by this coverage section will not be a determination of the Company's obligations under this Policy, nor create any duty to defend any **Claim** under any other part of this Policy.

2. DEFENSE

When a **Claim** is made against the **Insured** to which Section I. **INSURING AGREEMENTS**, Paragraph 1., **COVERAGES, COVERAGE A - LEGAL LIABILITY** above applies, the Company has the right to defend, including, but not limited to, the right to appoint counsel and the duty to defend such **Claim**, even if groundless, false, or fraudulent. With respect to any such **Claim** being defended by the Company, the Company shall, at its own expense, pay all reasonable expenses incurred by the **Insured** at the Company's request to assist it in the investigation or defense of the **Claim**, including actual loss of earnings up to \$500 a day because of time off from work; provided, however, that the Company's aggregate liability for all such expenses under this Policy shall not exceed \$5,000.

Claim Expenses are not included in the definition of **Loss**, and are not subject to the Deductible amount and do not reduce the applicable limit of liability, as described in Section IV. **LIMITS OF LIABILITY AND DEDUCTIBLE**, until **Claim Expenses** in the aggregate total \$1,000,000. Upon payment of **Claim Expenses** equaling this total, **Claim Expenses** are included with the definition of **Loss**, and are subject to the Deductible amount and reduce the applicable limit of liability, as described in Section IV. **LIMITS OF LIABILITY AND DEDUCTIBLE**.

The Company shall not be obligated to defend or continue to defend any **Claim** after the applicable Limit of Liability has been exhausted by payment of **Loss**.

3. SETTLEMENT

The Company will present any monetary settlement offers to the **Insured**, and if the **Insured** refuses to consent to any monetary settlement within the limits of liability of this Policy recommended by the Company and acceptable to the claimant, the Company's duty to defend the **Insured** shall then cease and the **Insured** shall thereafter negotiate or defend such **Claim** independently of the Company and the Company's liability shall not exceed the amount, less the Deductible or any outstanding Deductible balance, for which the **Claim** could have been settled if such recommendation was consented to.

II. EXCLUSIONS

This Policy does not provide coverage and the Company will not pay any **Claim, Claim Expenses, Crisis Management Loss, Pre-Claim Expenses** or **Loss**:

A. PRIOR KNOWLEDGE:

Based upon or arising from **Pollution Conditions** resulting from **Covered Operations** existing prior to the **Inception Date** and known by a **Responsible Insured** and not disclosed in the application for this Policy, or any previous policy for which this Policy is a renewal thereof.

B. INTENTIONAL NON-COMPLIANCE:

Based upon or arising out of any **Responsible Insured's** knowing, willful or deliberate noncompliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body. However, this Exclusion does not apply to such non-compliance based upon:

1. The **Insured's** good faith reliance upon the written advice of qualified outside counsel received in advance of such non-compliance or upon the Company's written consent; or

2. The **Insured's** reasonable response to emergency circumstances in order to mitigate **Pollution Conditions** or **Loss**, provided such emergency circumstances are reported in writing to the Company within ninety-six(96) hours of the discovery of such emergency circumstances.

C. LIMITED PRODUCT LIABILITY:

Based upon or arising out of the sale, distribution, design or manufacture of a product unless such product was installed as part of **Covered Operations** or arises from **Transportation**.

However, this Exclusion does not apply to any **Claims** or **Loss** based upon or arising out of any waste generated from the **Named Insured's Covered Operations** and such waste is relinquished to others to recycle or reuse in a manner that is environmentally preferable to disposal.

D. CONTRACTUAL LIABILITY:

1. Based upon or arising out of liability of others assumed by the **Insured** under any contract or agreement. This Exclusion does not apply to liability:
 - a. Arising from **Covered Operations** performed by subcontractors of the **Named Insured**, provided such liability is assumed by the **Named Insured** in a written contract with its client for such operations and the **Claim** occurs subsequent to the execution of the contract;
 - b. Assumed in a contract or agreement that is an **Insured Contract**, provided that the **Claim** occurs subsequent to the execution of the contract or agreement; or
 - c. That the **Named Insured** would have in the absence of the contract or agreement.
2. Solely with respect to **Emergency Response Costs**, based upon or arising out of liability of others assumed by the **Insured** under any contract or agreement.

E. EMPLOYERS LIABILITY:

For **Bodily Injury** sustained by any employee of an **Insured** while engaged in employment by an **Insured** or by any person whose right to assert a **Claim** against an **Insured** arises by reason of any employment, blood, marital, or any other relationship with the employee. This Exclusion applies:

1. Whether an **Insured** may be responsible as an employer or in any other capacity; or
2. To any obligation to share damages with or repay someone else who must pay damages because of **Bodily Injury**.

However, this Exclusion does not apply to liability assumed by the **Named Insured** under an **Insured Contract**.

F. WORKERS COMPENSATION:

Based upon or arising out of any obligation for which an **Insured** or any party may be held liable under any unemployment, Workers' Compensation, disability benefits, or other similar laws.

G. WAR:

Based upon or arising, directly or indirectly, out of:

1. War, including undeclared or civil war; or
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

H. TRANSFER, STORAGE OR DISPOSAL FACILITY:

Based upon or arising out of any waste, products or materials which have been delivered to a transfer, storage or disposal facility located beyond the boundaries of a job site where **Covered Operations** are being performed.

However, this Exclusion does not apply to **Loss** based upon or arising out of any waste or any products or materials transported, shipped, or delivered to a transfer, storage or disposal facility utilized by or on behalf of the **Named Insured** provided that such wastes, products or materials originated from a site at which the **Named Insured** is performing **Covered Operations**, were generated in the course of performing such **Covered Operations** and, on the date that the waste was accepted from the **Named Insured**, such transfer, storage or disposal facility was:

1. Properly licensed to accept and dispose of waste and in compliance with applicable **Environmental Laws**;
2. Not listed, not proposed to be listed and had never been listed on the federal National Priorities List (Superfund), State equivalent list, or local equivalent list;
3. Not subject to Federal information requests under Section 104(e) of CERCLA or Section 3007 (a) of RCRA or, State or Local equivalent requests;
4. Not operated or owned by any person or entity in bankruptcy or otherwise financially insolvent.

I. PROFESSIONAL LIABILITY:

Based upon or arising out of professional services rendered or failed to be rendered by an **Insured** or others for whom an **Insured** is legally liable, including, but not limited to, recommendations, opinions or strategies rendered for architectural, consulting, design or engineering work, such as drawings, designs, maps, reports, surveys, change orders, plan specifications, assessment work, remedy selections, site maintenance, equipment selection, or related construction management, supervisory, inspection or engineering services.

However, this Exclusion does not apply to:

1. **Claims** alleging liability against an **Insured** on the basis of improper supervision or lack of supervision of any sub-contractors performing **Covered Operations**; or
2. Construction means, methods, techniques, sequences and procedures in connection with **Covered Operations** performed by or on behalf of an **Insured** in its capacity as a specialty trade contractor.

J. INDEMNIFIED NUCLEAR LIABILITY:

Based upon or arising out of the radioactive, toxic or explosive properties of **Nuclear Material**, and for which the United States Department of Energy or any other government authority has indemnified the

Insured, or for which the Price Anderson Act provides protection for the **Insured**.

K. PROPERTY DAMAGE:

Based upon or arising out of:

1. **Property Damage** to the **Named Insured's Products**; or
2. **Property Damage** to that particular part of real or tangible property on which the **Named Insured**, or any persons or entities acting on the **Named Insured's** behalf, are performing **Covered Operations**, including any **Property Damage** caused by materials, parts or equipment furnished in connection with such **Covered Operations**. However, this Exclusion does not apply to **Completed Operations**.

L. PROPERTY DAMAGE TO MOTOR VEHICLES:

Based upon or arising out of **Property Damage** to any **Motor Vehicle** utilized during **Transportation**. This Exclusion does not apply to **Claims** made by third-party carriers of the **Insured** for such **Property Damage** arising from the **Insured's** negligence.

M. INSURED VS. INSURED:

Brought by an **Insured** against another **Insured**. However, this Exclusion does not apply to:

1. **Claims** brought by clients of the **Named Insureds**, as included in Section **VI. DEFINITIONS**, Paragraph **Q. Insured**, Subparagraph 4.; or
2. **Claims** initiated by third parties including cross-claims, counterclaims, or claims for contribution.

N. OWNED PROPERTY:

Based upon, arising from or in connection with any real property or facility which is, or was at any time, owned, operated or rented by the **Named Insured** or by any entity that:

1. wholly or partly owns, operates, manages, or otherwise controls the **Named Insured**; or
2. is wholly or partly owned, operated, managed or otherwise controlled by the **Named Insured**.

However, this Exclusion does not apply to any real property operated, managed, rented, leased or otherwise controlled by the **Named Insured**, or other entities defined above in subparagraphs 1. and 2. of this Exclusion, where that real property is utilized for **Covered Operations**, including the temporary storage of equipment and materials at any associated staging or storage areas.

III. CLAIMS AND NOTICE PROVISIONS

A. INSURED'S DUTIES WHEN THERE IS A CLAIM, EMERGENCY RESPONSE COSTS, CRISIS MANAGEMENT EVENT OR PRE-CLAIM CIRCUMSTANCE

As a condition precedent to the right of coverage provided by this Policy, the **Insured** must do the following:

1. In the event of a **Claim, Emergency Response Costs, Crisis Management Event** or **Pre-Claim Circumstance**, the **Insured** shall give notice as soon as practicable to the Company's representative(s), as identified in this paragraph, of receipt of the **Claim, Crisis Management Event, Pre-Claim Circumstance**, or **Emergency Response Costs** incurred.

All **Claim(s), Emergency Response Costs, Crisis Management Event(s)** and **Pre-Claim Circumstance(s)** shall be reported to:

AIG Claims, Inc
P.O. Box 305904
Nashville, TN 37230-5904
Fax: 866-260-0104
Email: SeverityFNOL@aig.com
or other address(es) as substituted by the Company in writing.

2. The **Insured** shall furnish information at the request of the Company. When a **Claim** has been made, the **Insured** shall forward the following to the Company as soon as practicable after receipt, or receipt by the **Insured's** representative or agent:
 - (a) All correspondence between the **Insured** and any third party claimant;
 - (b) All demands, summons, notices or other processes or papers filed with a court of law, administrative agency or an investigative body;
 - (c) All technical reports, laboratory data, field notes or any other documents generated by persons hired by the **Insured** to investigate the **Claim**;
 - (d) All expert reports, investigations and data collected by experts retained by the **Insured** whether or not the **Insured** intends to use the material for any purpose; and
 - (e) Any other information developed or discovered by the **Insured** concerning the **Claim** whether or not deemed by the **Insured** to be relevant to the **Claim**.
3. When **Emergency Response Costs** have been incurred, the **Insured** shall forward to the Company within ten (10) days of the commencement of **Pollution Conditions** for which the **Emergency Response Costs** have been incurred all information including but not limited to: the cause and location of the **Pollution Conditions**, technical reports, laboratory data, field notes, expert reports, investigations, data collected, invoices, regulatory correspondence or any other documents relating to such **Emergency Response Costs**.
4. All **Insureds** shall cooperate with the Company to the fullest extent possible by providing the assistance necessary to adjust, investigate, and defend the **Claim** or adjust and investigate **Emergency Response Costs, Crisis Management Event** or **Pre-Claim Circumstance**, and shall participate in discussions regarding cleanup or performance of a cleanup should the Company exercise its rights under Paragraph B. of this Section.
 - (a) The **Insured** agrees to provide the Company free access to interview any employee, agent, representative, or independent contractor of the **Insured** and review any documents of the **Insured** concerning the **Claim** or **Emergency Response Costs**.
 - (b) Upon the Company's request, the **Insured** shall attend hearings, depositions, and trials, assist in effecting settlements, securing and giving evidence, and obtaining the attendance of witnesses, and offer all reasonable assistance in the investigation and defense of **Claims** made under this Policy.
 - (c) No **Insured** shall admit liability, waive, or extend any statute or period of limitation, or, except at such **Insured's** own cost, voluntarily make any payment, assume any obligation, or incur any expense except for **Emergency Response Costs**, without the Company's prior written consent.

- (d) An **Insured**, as often as the Company may reasonably require, shall separately submit to examination(s) under oath.
 - (e) The **Insured** shall refrain from discussing the facts and circumstances of any **Claim** or **Emergency Response Costs** with anyone other than legal counsel or representatives of the Company.
5. The **Insured** must report any **Crisis Management Event** to the Company within twenty-four (24) hours of the time that a **Responsible Insured** first becomes aware of **Pollution Conditions** that gives rise to a **Crisis Management Event** or as soon as practicable to be eligible for the advancement of **CrisisResponse® Costs** and the payment of **Crisis Management Loss**.

Notice of a **Crisis Management Event** may be given by calling 1-877-244-3100. If notice is given by telephone, written notice will be given as soon as practicable thereafter. Written notice should include:

- (a) How, when and where the **Crisis Management Event** is taking or took place;
 - (b) The names and addresses of any injured persons and any witnesses; and
 - (c) The nature and location of any injury or damage arising out of the **Crisis Management Event**.
6. There shall be no requirement that the **Insured** obtain prior written approval from the Company before incurring any **Crisis Management Loss**, provided that the **Crisis Management Firm** selected by the **Insured** to perform the **Crisis Management Services** has been approved by the Company. If the **Insured** chooses to retain a firm that does not appear in the Schedule attached to and forming a part of this Policy, the **Insured** must obtain the Company's consent, which shall remain in the Company's sole discretion, prior to retaining the services of such firm.
7. Any payments for **Crisis Management Loss** or advancement of **CrisisResponse® Costs** that the Company makes under this Policy:
- (a) Shall not be deemed to be a determination of the insured's liability with respect to any **Claim** or **Loss** under the Policy; and
 - (b) Shall not create any duty to defend any **Claim** or to investigate any **Claim** or **Pollution Conditions** arising from a **Crisis Management Event**, nor any coverage obligations under this Policy.
8. If the Crisis Management Insurance provided by this Policy and any other insurance issued to the **Named Insured** by the Company or any of its affiliated companies shall apply to the same crisis the maximum limit of insurance under all insurance available shall not exceed the highest applicable limit of insurance available under any one policy or endorsement.
9. In the event of a dispute between the **Insured** and the Company as to whether a **Crisis Management Event** has occurred, the **Insured** may, at its own cost, retain the services of an approved **Crisis Management Firm** and/or advance **CrisisResponse® Costs**. Provided, however, if the **Insured** elects to retain an approved **Crisis Management Firm** or to advance **CrisisResponse® Costs**, the Company shall have no obligation to reimburse the **Insured** under this Policy for such costs or expenses. The right to reimbursement shall be arbitrated pursuant to the rules of the American Arbitration Association in New York, New York or in the state indicated in Item 1. of the Declarations of this Policy as the address of the **Named Insured**.

B. RIGHTS OF THE COMPANY

The Company shall have the right but not the duty to participate in decisions regarding **Clean-Up Costs** and to assume direct control over all aspects of the cleanup and the adjustment of any **Claim** or **Emergency Response Costs** up to the Limit of Liability. In case the Company exercise of this right, the **Insured**, on demand of the Company, shall promptly reimburse the Company for any element of **Loss** falling within the **Insured's** deductible.

C. MEDIATION

If the **Named Insured** and the Company jointly agree to utilize **Mediation** as a means to resolve a **Claim** made against the **Insured**, and if such **Claim** is resolved as a direct result of the **Mediation**, the **Named Insured's** deductible obligation shall be reduced by 50% subject to a maximum reduction of \$25,000. The Company shall reimburse the **Named Insured** for any such reimbursable deductible payment made prior to the **Mediation** as soon as practicable after the conclusion of the **Mediation**.

IV. LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of **Claims**, claimants, **Pollution Conditions** or **Insureds** under this Policy, the following limits of liability apply:

A. LIMITS OF LIABILITY - AGGREGATE

The Company's total liability for all **Loss** shall not exceed the "Aggregate" stated in Item 3. of the Declarations.

Once the "Aggregate" Limit of Liability has been exhausted, the Company shall not defend any **Claim**, or pay **Loss**.

Further, the Company's total liability for all **CrisisResponse® Costs** and/or **Crisis Management Loss** shall not exceed \$250,000 combined, regardless of the number of **Crisis Management Events** first commencing during the **Policy Period**. The Company will have no obligation to advance **CrisisResponse® Costs** or to pay **Crisis Management Loss** from the earliest of the time when the Company determines that a **Crisis Management Event** has ended or when this \$250,000 limit of liability has been exhausted. **CrisisResponse® Costs** and/or **Crisis Management Loss** shall not be included as **Loss** and do not reduce the available "Aggregate" Limit of Liability.

B. LIMITS OF LIABILITY - EACH LOSS

Solely with respect to Coverage A, and subject to Paragraph **A. LIMITS OF LIABILITY – AGGREGATE** above, the "Each Loss" Limit stated in Item 3. of the Declarations is the most the Company will pay for all **Loss** arising out of any one **Pollution Condition** or the same, related or continuous **Pollution Conditions**.

Solely with respect to Coverage B, and subject to Paragraph **A. LIMITS OF LIABILITY – AGGREGATE** above, the most the Company will pay for all **Loss** arising out of any one **Pollution Condition** or the same, related or continuous **Pollution Conditions** is the "Each Loss" Limit stated in Item 3. of the Declarations.

Once the "Each Loss" Limit of Liability has been exhausted, the Company shall not be obligated to defend or continue to defend any **Claim**, or pay **Loss** for any **Claim**.

C. LIMITS OF LIABILITY – PRE-CLAIM EXPENSES

Solely with respect to Coverage C, in addition to the applicable limit of liability and not subject to the deductible, the most the Company shall pay for **Pre-Claim Expenses** is \$10,000 in total. Any additional **Pre-Claim Expenses** above \$10,000 may be paid by the Company at its sole discretion. In the event a **Pre-Claim Circumstance** becomes a **Claim**, the full deductible shall be applied to any **Loss** arising from such **Claim**.

D. DEDUCTIBLE - EACH LOSS

Except with respect to Coverages C and D, the "Each Loss" deductible stated in Item 4. of the Declarations applies to all **Loss** arising out of any one **Pollution Condition** or out of the same, related or continuous **Pollution Conditions**. The deductible shall be paid by the **Named Insured** and remain uninsured. The Limits of Liability shall apply in excess of the deductible.

The Company may advance payment of part or all of the deductible amount and upon notification of such payment made, the **Named Insured** shall promptly reimburse the Company for the deductible amounts advanced by the Company.

Solely with respect to Coverage C, a deductible amount does not apply.

Solely with respect to Coverage D, this Policy is to pay covered **CrisisResponse® Costs** and/or **Crisis Management Loss** in excess of the following Deductible amount: \$25,000, up to but not exceeding the limits set forth in Paragraph A. above; provided that payment of Deductible amounts for **CrisisResponse® Costs** and/or **Crisis Management Loss** shall erode the Deductible amount applicable to that particular **Loss** arising out of the same, related or continuous **Pollution Conditions** for all other Coverages under this Policy.

The **Insured** shall promptly reimburse the Company for advancing any element of **Loss** falling within the Deductible.

PIER RESPONSE DEDUCTIBLE REDUCTION

If the **Named Insured** utilizes a **PIER Network Provider** in response to an incident which results in **Emergency Response Costs** covered under the Policy, and such **Emergency Response Costs** are incurred by a **PIER Network Provider**, the **Named Insured's** Deductible obligation shall be reduced by 50% subject to a maximum reduction of \$25,000, and such reduced Deductible amount shall apply among all the coverage sections applicable to the **Loss** arising out of any one **Pollution Condition** or arising out of the same, related or continuous **Pollution Conditions**. In order for this Deductible reduction to apply, the **Named Insured** must provide proof of use of a **PIER Network Provider** including, at a minimum, a copy of the executed written contract between the **PIER Network Provider** and the **Named Insured** and a copy of the invoice(s) for such services which have been rendered under the aforementioned executed written contract in response to **Emergency Response Costs**. This provision does not alter the **Insured's** reporting obligations under Section III. of the Policy.

In the event that **Loss** arising out of any one **Pollution Condition** or arising out of the same, related or continuous **Pollution Conditions** is subject to more than one reduced deductible provision under this Policy, only the highest deductible reduction among all such provisions will apply.

V. CONDITIONS

A. HOW OTHER INSURANCE APPLIES

Where other insurance may be available for **Loss** covered under this Policy, the **Insured** shall promptly upon request of the Company provide the Company with copies of all such policies. If other valid and collectible insurance is available to the **Insured** for **Loss** covered by this Policy, the Company's obligations are limited as follows:

1. Except as set forth in Subparagraph 3. below, this insurance is primary, and the Company's obligations are not affected unless any of the other insurance is also primary. In that case, the Company will share with all such other insurance by the method described in Paragraph 2. below.
2. If all of the other insurance permits contribution by equal shares, the Company will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, the Company will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.
3. This insurance is excess where the **Named Insured** is an insured under another Contractor's Pollution Liability insurance policy, issued by the Company or by an affiliate of the Company, applying to or purporting to apply to a project, where **Covered Operations** are performed by or on behalf of the **Named Insured** in connection with such project. To the extent that a **Claim**, or part thereof, is not covered by any such Contractor's Pollution Liability insurance policy, this Policy shall be primary and non-contributory with respect to such **Claim** or part thereof. Further, the "Each Loss" deductible under this policy shall be satisfied by the deductible and/or limits of liability paid under such Contractor's Pollution Liability insurance for **Loss** which is also covered by this Policy and arises out of any one **Pollution Condition** or out of the same, related or continuous **Pollution Conditions**.

The Company will pay only its share of the amount of **Loss**, if any, that exceeds the total amount of all such other valid insurance. This excess insurance shall in no way be increased or expanded as a result of the receivership, insolvency, or inability to pay of any insurer with respect to both the duty to indemnify and the duty to defend.

B. BANKRUPTCY

Bankruptcy or insolvency of the **Insured's** estate shall not relieve the Company of any of its obligations under this Policy.

C. APPLICATION

The statements in the Application are the **Named Insured's** representations and are deemed material. This Policy is issued based upon the truth and accuracy of such representations. Upon the binding of coverage, the Application shall be deemed part of this Policy. This Policy embodies all agreements existing between the **Named Insured** and the Company or any of its agents relating to this Policy.

D. ACTION AGAINST THE COMPANY

No third party action shall lie against the Company, unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by the Policy. No person or organization shall have any right under this Policy to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the Company be impleaded by the **Insured** or his legal representative. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations hereunder.

E. CONCEALMENT OR FRAUD

If the **Insured** reports any **Claim** or **Emergency Response Costs** knowing such **Claim** or **Emergency Response Costs** to be false or fraudulent, this Policy shall become void and all insurance coverage hereunder shall be forfeited. Further, this entire Policy shall be void if, whether before or after **Emergency Response Costs** are incurred or a **Claim** is first made, the **Named Insured** has willfully concealed or misrepresented: (i) any fact or circumstance material to the granting of coverage under this Policy, or (ii) any **Insured's** operations.

F. SERVICE OF SUIT

It is agreed that in the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the **Insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition 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 Counsel, Legal Department, AIG Specialty Insurance Company, 175 Water Street, New York, New York 10038, or his or her representative, 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 any 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, Director of Insurance, or other officer specified for that purpose in the statute, or his or 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 **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.

G. INSPECTION

The Company shall be permitted but not obligated to inspect, sample, and monitor on a continuing basis the **Insured's** property or operations, at any time. Neither the Company's right to make inspections, sample, and monitor, nor the actual undertaking thereof nor any report thereon, shall constitute an undertaking, on behalf of the **Insured** or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule, or regulation.

H. SOLE AGENT

The **Named Insured** first listed in Item 1. of the Declarations shall act on behalf of all other **Insureds**, if any, for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this Policy, and giving and receiving notice of cancellation or non-renewal.

I. ASSIGNMENT

This Policy may be assigned with the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. Assignment of interest under this Policy shall not bind the Company until its consent is endorsed onto this Policy.

J. SUBROGATION

If there is any payment made by the Company under this Policy and regardless of whether the **Insured** has been made whole for its **Loss**, the Company shall be subrogated to all the **Insured's** rights of recovery against any person or organization. The **Insured** shall cooperate with the Company and do whatever is necessary to secure these rights. The **Insured** shall do nothing after a **Loss** to waive or prejudice such rights.

Any recovery as a result of subrogation proceedings arising out of payment of **Loss** under this Policy (net of expenses incurred in making such recovery) shall accrue first to the **Insured** to the extent of any payment made by the **Insured** in excess of the limit of coverage of the Policy, then pro-rata to the **Insured** and the Company in proportion to the amount each actually paid as a result of judgment, settlement or defense of a **Claim** or **Emergency Response Costs**.

Notwithstanding anything to the contrary in this Condition J., the Company hereby expressly waives any rights of subrogation against an entity where such right has been waived in writing by the **Insured** prior to a **Claim** or **Emergency Response Costs**.

K. CHANGES

Notice to any agent or knowledge possessed by any agent or by any other person 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 this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy.

L. CANCELLATION

This Policy may be cancelled by the **Named Insured** by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy may be cancelled by the Company only for the reasons stated below by mailing to the **Named Insured** at the address shown in the Policy, written notice stating when not less than ninety (90) days (ten (10) days for nonpayment of premium) thereafter such cancellation shall be effective. Proof of mailing of such notice shall be sufficient proof of notice.

1. Material misrepresentation by the **Insured**.
2. The **Insured's** failure to comply with the material terms, conditions or contractual obligations under this Policy, including failure to pay any premium or Deductible when due. However, the **Insured** shall have the ability, within the first thirty (30) days (ten (10) days for non-payment of premium) of the ninety (90) day notice period stated above, to cure such failure to comply with the material terms, conditions or contractual obligations. The determination of whether or not the **Insured** has cured any such failure is within the sole discretion of the Company.
3. A change in **Covered Operations** identified in the application as of the **Inception Date** that materially increases a risk covered under this Policy.

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to mailing. If the **Named Insured** cancels the Policy, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

M. SEPARATION OF INSUREDS

Except with respect to the Limits of Insurance, Section II Paragraph M. (Insured vs. Insured exclusion) and any rights or duties specifically assigned to the first **Named Insured**, this Insurance applies: 1. As if each **Named Insured** were the only **Named Insured**; and 2. Separately to each **Insured** against whom a Claim is made or suit is brought. Misrepresentation, concealment, breach of a term or condition, or violation of any duty under this Policy by one **Insured** shall not prejudice the interest of coverage for another **Insured** under this Policy. Provided, however, that this Condition shall not apply to any **Insured** who is a parent, subsidiary or affiliate of the **Named Insured** that misrepresented, concealed or breached a term or condition, or violated a duty under this Policy.

N. INDEPENDENT COUNSEL

In the event the **Insured** is entitled by law to select independent counsel to oversee the Company's defense of a **Claim** at the Company's expense, the attorney fees and all other expenses the Company must pay to that counsel are limited to the rates the Company actually pays to counsel the Company retains in the ordinary course of business in the defense of similar **Claim(s)** or suits in the community where the **Claim** arose or is being defended.

Additionally, the Company may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claim(s)** or suits similar to the one pending against the **Insured** and to require such counsel to have errors and omissions insurance coverage. With respect to any such counsel, the **Insured** agrees that counsel will timely respond to the Company's requests for information regarding the **Claim** or suit.

Furthermore, the **Insured** may at any time, by its signed consent, freely and fully waive its right to select independent counsel.

O. CONDITIONS OF PAYMENT

The Company shall not be deemed to provide cover and the Company shall not be liable to pay any **Claim** or provide any benefit hereunder to the extent that the provision of such cover, payment of such **claim** or provision of such benefit would expose the Company, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions

or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

P. TERRITORY

This Policy only applies to **Covered Operations** performed in the United States and its territories or possessions, or in Canada and its provinces or territories.

Q. VOLUNTARY PAYMENTS

No **Insured** shall voluntarily enter into any settlement, or make any payment or assume any obligation unless in response to an emergency or pursuant to **Environmental Laws** that require immediate remediation of **Pollution Conditions**, without the Company's consent which shall not be unreasonably withheld, except at the **Insured's** own cost.

VI. DEFINITIONS

A. Bodily Injury means:

1. physical injury, sickness or disease sustained by any person, including death resulting therefrom, and solely with respect to this item A.1, any accompanying medical monitoring; or
2. mental anguish, emotional distress, or shock.

B. Certified Industrial Hygienist means a licensed professional as established by the American Board of Industrial Hygiene, mutually agreed upon by the Company and the **Named Insured**. The Company may also exercise the right to require that such **Certified Industrial Hygienist** have certain minimum qualifications with respect to his or her competency, including experience with similar **Microbial Matter** remediation.

C. Claim means a written demand received by an **Insured** seeking a remedy and alleging liability or responsibility on the part of the **Named Insured** for **Bodily Injury, Property Damage** or **Environmental Damage**.

D. Claim Expenses means:

1. Fees charged by any lawyer designated by the Company; and
2. All other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, if authorized by the Company.

Claim Expenses shall not include:

1. The salaries of any employee of the Company; and
2. Costs, charges or other expenses incurred by the **Insured** for goods supplied or services performed by or on behalf of the staff or salaried employees of the **Insured**, or its parent, subsidiary or affiliate, unless such costs, charges or other expenses are incurred with the prior written approval of the Company at its sole discretion.

E. Clean-Up Costs means reasonable and necessary expenses incurred in the investigation, removal, remediation including the associated monitoring, or disposal of soil, surfacewater, groundwater or other contamination:

1. To the extent required by **Environmental Laws**, or specifically mandated by court order, the government or any political subdivision of the United States of America or any state or any municipality thereof, or Canada or any province thereof;
2. Which have been actually incurred by the government or any political subdivision of the United States of America or any state thereof, or Canada or any province thereof, or by third parties;
3. With respect to **Microbial Matter**, in the absence of any applicable **Environmental Laws**, to the extent recommended in writing by a **Certified Industrial Hygienist**;
4. With respect to Legionella pneumophila, in the absence of any applicable **Environmental Laws**, to the extent required in writing by the Center for Disease Control or local health department; or
5. With respect to viruses or bacteria, as defined by the Center for Disease Control, in the absence of **Environmental Laws**, to the extent required in writing by the Center for Disease Control or local health department.

Clean-Up Costs also includes **Restoration Costs**.

F. Completed Operations means work from **Covered Operations** that has been completed, including materials, parts or equipment furnished in connection with such work or operations.

Covered Operations will be deemed completed at the earliest of the following times:

1. When all of the work called for in the **Insured's** contract has been completed;
2. When all of the work to be done at the job site has been completed if the **Insured's** contract calls for work at more than one job site; or
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 sub-contractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

G. Covered Operations means those activities performed for a third party, including project estimating, service response and operations tied to a client, by or on behalf of the **Named Insured**. **Covered Operations** includes **Completed Operations** and **Transportation**.

H. Crisis Management Event means an event that in the good faith opinion of a **Responsible Insured**, in the absence of **Crisis Management Services**, has been associated with or may reasonably be associated with:

1. **Loss** covered by this Policy; and
2. Significant adverse regional or national news media coverage.

I. Crisis Management Firm means any public relations firm or crisis management firm approved by the Company that is hired by the **Insured** to perform **Crisis Management Services** in connection with a **Crisis Management Event**. Attached to and forming a part of this Policy is a Schedule of firms that have been pre-approved by the Company and may be hired by the **Insured** without further approval by the Company.

J. Crisis Management Loss means the following amounts incurred during a **Crisis Management Event**:

1. Amounts for the reasonable and necessary fees and expenses incurred by a **Crisis Management Firm** in the performance of **Crisis Management Services** for the **Insured** solely arising from a covered **Crisis Management Event**; and
2. Amounts for reasonable and necessary printing, advertising, mailing of materials, or travel by the **Named Insured's** directors, officers, employees or agents or a **Crisis Management Firm** incurred at the direction of a **Crisis Management Firm**, solely arising from a covered **Crisis Management Event**.

K. Crisis Management Services means those services performed by a **Crisis Management Firm** in advising the **Insured** on minimizing potential harm to the **Insured** from a covered **Crisis Management Event** by maintaining and restoring public confidence in the **Insured**.

L. CrisisResponse® Costs means the following reasonable and necessary expenses incurred during a **Crisis Management Event** directly caused by a **Crisis Management Event**, provided that such expenses have been pre-approved by the Company and may be associated with **Loss** that would be covered by this Policy:

1. Medical expenses;
2. Funeral expenses;
3. Psychological counseling;
4. Travel expenses;
5. Temporary living expenses;
6. Expenses to secure the scene of a **Crisis Management Event**; and
7. Any other expenses pre-approved by the Company.

CrisisResponse® Costs does not include defense costs or **Crisis Management Loss**.

M. Emergency Response Costs means reasonable and necessary expenses, including legal expenses incurred with the Company's written consent which consent shall not be unreasonably withheld or delayed, incurred in the remediation of soil, surfacewater, groundwater or other contamination that must be incurred:

1. in response to **Pollution Conditions** that necessitate immediate action; and
2. within ninety six (96) hours of the commencement of such **Pollution Condition(s)**; or as approved by the Company in writing.

N. Environmental Damage means physical damage to tangible or real property of parties other than an **Insured**, soil, surfacewater or groundwater, or plant or animal life, caused by **Pollution Conditions** and giving rise to **Clean-Up Costs**. **Environmental Damage** does not include **Property Damage**. Solely with respect to this definition, **Insured** does not include a client of the **Named Insured**.

O. Environmental Laws means:

1. Any federal, state, provincial or local laws (including, but not limited to, statutes, rules,

regulations, ordinances, guidance documents, and governmental, judicial or administrative orders and directives) that are applicable to **Pollution Conditions**; or

2. A written directive or notice from a **Licensed Site Professional** stating that **Clean-Up Costs** must be incurred by the **Named Insured** pursuant to federal, state, provincial or local laws as described in subparagraph 1. above.

P. Inception Date means the first date set forth in Item 2. of the Declarations.

Q. Insured means:

1. The **Named Insured**;
2. Any person who is or was a director, officer, partner, member or employee, including a temporary or leased employee or shareholder of the **Named Insured** while acting within the scope of his or her duties as such;
3. Joint ventures in which the **Named Insured** is named as a co-venturer but only with respect to the liability arising out of the **Named Insured's Covered Operations**;
4. The client for whom the **Named Insured** performs or performed **Covered Operations**, provided that a written contract or agreement is in effect between the **Named Insured** and the client. However, such clients are covered under this Policy solely with respect to **Loss** arising from **Covered Operations** and are not covered for any **Loss** arising from the client's own liability. Clients of the **Named Insured** are covered under this Policy only for Limits of Liability up to and not exceeding the amount required by the written contract with the **Named Insured** and subject to the Limits of Liability of this Policy;
5. A Limited Liability Company in which the **Named Insured** is a member and all members but only with respect to the liability arising out of the **Named Insured's Covered Operations**; and
6. Owners, lessees, project lenders, financiers or contractors of a job site where **Covered Operations** are being performed by or on behalf of the **Named Insured** and the **Named Insured** is required under a written contract, executed prior to **Claim** or **Loss**, to add such entities as additional **Insured(s)** to this Policy but only with respect to the liability arising out of the **Named Insured's Covered Operations**. Such entities are covered under this Policy only for Limits of Liability up to and not exceeding the amount required by the written contract with the **Named Insured** and subject to the Limits of Liability of this Policy.

R. Insured Contract means:

1. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
2. That part of any other contract or agreement pertaining to the **Named Insured's Covered Operations** (including an indemnification of a municipality in connection with work performed for a municipality) whereby the **Named Insured** assumes the tort liability of another party to pay for **Bodily Injury, Property Damage** or **Environmental Damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

S. Licensed Site Professional means an individual or entity mutually agreed upon by the Company and the **Named Insured** that is qualified and duly acting as a professional under the applicable state statutes and/or regulations to supervise the remediation of or other response to **Pollution Conditions**. The

Company may also exercise the right to require that such professional have certain minimum qualifications with respect to his or her competency, including experience with the remediation of or other response to a similar **Pollution Conditions**.

T. Loss means:

1. With respect to **Claims for Bodily Injury or Property Damage**:
 - a. Monetary awards or settlements of compensatory damages;
 - b. Where allowable by law, punitive, exemplary, or multiple damages; and
 - c. Civil fines, civil penalties, or civil assessments;
2. **Clean-Up Costs** arising from **Environmental Damage**;
3. **Emergency Response Costs**; or
4. **Claim Expenses**.

U. Low Level Radioactive Material means radioactive material or waste, including any radioactive waste from nuclear medicine, medical imaging, not classified as high level radioactive waste, transuranic waste, spent nuclear waste, or by product waste as defined by the Atomic Energy Act, or any amendment thereof.

V. Mediation means non-binding dispute resolution conducted by a neutral third party.

W. Microbial Matter means fungi, mold or mildew, whether or not such **Microbial Matter** is living.

X. Misdelivery means the delivery of any liquid product into a wrong receptacle or to a wrong address or the erroneous delivery of one type of liquid for another type of liquid.

Y. Motor Vehicle means an automobile, van, truck, trailer or semi-trailer designed and registered to travel on public roads.

Z. Named Insured means the person or entity designated as such in Item 1. of the Declarations and any and all corporations, partnerships, companies or other entities as have existed at any time, or as now or may hereafter exist during the **Policy Period** and in which the **Named Insured** did or does have more than a 50% ownership interest. However, (i) there is no coverage for any entity acquired during the policy period for any **Claim** made against such entity prior to the acquisition date, or any **Pollution Condition** associated with any such **Claim** and (ii) **Named Insured** shall not include any entity with revenues greater than 20% of the **Named Insured's** revenues as reported in the application that is acquired after the **Inception Date** other than an acquired entity that is subject to all of the conditions set forth below:

1. The **Named Insured** shall notify the Company of any entity acquired during the **Policy Period** by the **Named Insured** with revenues greater than 20% of the **Named Insured's** revenues as reported in the application. Underwriting information as requested by the Company must be submitted.
2. Any such entity acquired during the **Policy Period** by the **Named Insured** shall be a **Named Insured** for a period of one hundred and twenty (120) days following the acquisition date.
3. No coverage will be provided after the one hundred and twentieth (120th) day unless the entity is specifically endorsed onto the Policy as a **Named Insured**. Additional premiums may be required in order to endorse the acquired entity on to the Policy as a **Named Insured**.

The first **Named Insured** designated in Item 1. of the Declarations will act on behalf of all other **Insureds**, if any, for the payment or return of any premium, payment of any deductible, receipt and acceptance of any endorsement issued to form a part of this Policy, and giving and receiving notice of cancellation or nonrenewal.

AA. Named Insured's Product means goods, products, or pieces of equipment, including component parts thereof and including other products in which such goods, products or pieces of equipment are incorporated, which are manufactured, sold, furnished, or supplied by the **Named Insured**, any subsidiary of the **Named Insured**, any entity which wholly or partly owns, operates or manages the **Named Insured** or any subsidiary of such entity, or any person under license from the **Named Insured**.

BB. Natural Resource Damage means physical injury to or destruction of, including the resulting loss of value of, land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.)), any state or local government, any foreign government, any Indian tribe, or, if such resources are subject to a trust restriction on alienation, any member of an Indian tribe.

CC. Nuclear Material means Source Material, Special Nuclear Material or By-Product Material as defined in the Atomic Energy Act. or any amendments thereof.

DD. PIER Network Provider means an environmental or emergency response contractor that is a member of the Company's PIER (Pollution Incident and Environmental Response)® program.

EE. Policy Period means the period set forth in Item 2. of the Declarations, or any shorter period arising as a result of cancellation of this Policy.

FF. Pollution Conditions means:

1. the discharge, dispersal, release or escape; or
2. illicit abandonment by a third party without the **Insured's** consent at a job site,

of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, **Low Level Radioactive Material**, electromagnetic fields, medical waste and waste materials into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, provided such conditions are not naturally present in the environment in the concentration or amounts discovered, unless such natural condition(s) are released or dispersed as a result of the performance of **Covered Operations**, and such release or dispersal is unexpected and unintended from the standpoint of the **Insured**. **Pollution Conditions** shall include **Microbial Matter** and Legionella pneumophila in any structure on land and the atmosphere contained within that structure. Solely with respect to **Clean-Up Costs**, **Pollution Conditions** shall also include the discharge, dispersal, release or escape of viruses or bacteria, as defined by the Center for Disease Control, **Pollution Conditions** shall also include the discharge, dispersal, release or escape of silt or sedimentation that originated at and migrated from a job site.

GG. Pre-Claim Circumstance means an event, incident, circumstance, dispute or situation arising solely out of the **Insured's Covered Operations**, which the **Insured** first becomes aware of during the **Policy Period**, and that a reasonably minded, prudent person might expect to give rise to a **Claim**.

HH. Pre-Claim Expenses means:

1. Reasonable and necessary fees charged by a licensed environmental services professional or attorney mutually agreed upon by the Company and the **Named Insured**, for environmental consulting, investigative, testing or legal services, solely to the extent such fees are incurred as a result of a **Pre-Claim Circumstance**.
2. Costs, charges and expenses incurred by the Company in the investigation or adjustment of **Pre-Claim Circumstances**; and
3. All reasonable and necessary expenses incurred by the **Insured** at the Company's request to assist the Company in the investigation of a **Pre-Claim Circumstance**, including the **Insured's** employees lost salaries or wages, up to \$500 a day.

Except as expressly set forth in this Definition, **Pre-Claim Expenses** shall not include costs, charges or other expenses incurred by the **Insured** for goods supplied by or on behalf of the staff or salaried employees of the **Insured**, or its parent, subsidiary or affiliate, unless such costs, charges or other expenses are incurred with the prior written approval of the Company at its sole discretion.

II. Property Damage means:

1. Physical injury to or destruction of tangible property of parties other than the **Insured** including the resulting loss of use and diminution in value thereof;
2. Loss of use, but not diminution in value, of tangible property of parties other than the **Insured** that has not been physically injured or destroyed; or
3. **Natural Resource Damage**.

Property Damage does not include **Environmental Damage**.

Solely with respect to this definition, **Insured** does not include a client of the **Named Insured**.

JJ. Responsible Insured means the manager or supervisor of the **Named Insured** responsible for environmental affairs, control or compliance, or any member, officer, director or partner of the **Named Insured**.

KK. Restoration Costs means reasonable and necessary costs incurred by the **Insured** with the Company's written consent, which consent shall not be unreasonably withheld or delayed, to repair, replace or restore real or personal property to substantially the same condition it was in prior to being damaged during work performed in the course of incurring **Clean-Up Costs** arising from **Environmental Damage**.

Restoration Costs shall not include costs associated with improvements or betterments, except to the extent that such improvements or betterments of the damaged property entail the use of materials which are environmentally preferable to those materials which comprised the damaged property. Such environmentally preferable material must be certified as such by an applicable independent certifying body, where such certification is available, or, in the absence of such certification, based on the judgment of the Company in its sole discretion.

LL. Transportation means the use of a **Motor Vehicle**, aircraft, rolling stock, or watercraft while in due course of transit from the time of movement from its point of origin to its final destination, including loading or unloading onto or from the **Motor Vehicle**, aircraft, rolling stock or watercraft. In the course

of the performance of **Covered Operations, Transportation** includes **Misdelivery** and the loading of fuel into a power unit by or on behalf of the **Named Insured**.

The remainder of this page has been intentionally left blank. Policy Signature Page shall immediately follow.

Specimen