

**INDIAN HARBOR INSURANCE COMPANY
STAMFORD, CONNECTICUT**
(A Stock Insurance Company Herein Called the "Company")

**PROFESSIONAL AND POLLUTION LIABILITY POLICY
GENERAL CONTRACTORS**

COVERAGE "A" PROVIDES "CLAIMS MADE AND REPORTED" COVERAGE, AND HAS REPORTING REQUIREMENTS DIFFERENT FROM THOSE FOR COVERAGE B. COVERAGE A REQUIRES THAT A CLAIM BE MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF ANY. PLEASE READ THE ENTIRE FORM CAREFULLY.

THIS POLICY CONTAINS PROVISIONS WHICH LIMIT THE AMOUNT OF LEGAL DEFENSE EXPENSE THE COMPANY IS RESPONSIBLE TO PAY IN CONNECTION WITH CLAIMS. LEGAL DEFENSE EXPENSES SHALL BE APPLIED AGAINST ANY RETENTION AMOUNT AND ARE SUBJECT TO THE LIMITS OF LIABILITY STATED IN ITEM 3. OF THE DECLARATIONS.

In consideration of the payment of the Policy Premium stated in Item 6. of the Declarations and in reliance upon the statements contained in the Application and any other supplemental materials and information submitted herewith, and subject to all the terms and conditions of this Policy, the Company agrees with the NAMED INSURED as follows:

I. INSURING AGREEMENT

A. Coverage A - PROFESSIONAL LIABILITY

To pay on behalf of the INSURED all LOSS in excess of the Retention amount stated in Item 4 of the Declarations as a result of CLAIMS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, Automatic Extended Reporting Period, or Optional Extended Reporting Period, by reason of any act, error or omission in PROFESSIONAL SERVICES rendered by any person whose acts, errors or omissions the INSURED is legally responsible.

Provided always that such act, error or omission must have been committed or alleged to have been committed:

1. during the POLICY PERIOD, or
2. prior to the POLICY PERIOD and subsequent to the Retroactive Date(s) stated in Item 7. of the Declarations.

B. Coverage B - CONTRACTOR'S POLLUTION LEGAL LIABILITY

To pay on behalf of the INSURED all LOSS, in excess of the Retention amount stated in Item 4. of the Declarations, which the INSURED becomes legally obligated to pay as a result of an OCCURRENCE resulting in POLLUTION CONDITIONS during the POLICY PERIOD. In the event the OCCURRENCE continues through more than one policy placed with the Company, only one policy will respond. The policy that will respond to any resulting LOSS is the policy in which the POLLUTION CONDITION commenced.

II. DEFINITIONS

- A. BODILY INJURY** means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom.
- B. CLAIM(S)** means a demand received by the INSURED for money or services that arises from PROFESSIONAL SERVICES or CONTRACTING SERVICES. The definition of CLAIM shall not necessarily be limited to lawsuits, petitions, arbitrations or other alternative dispute resolution requests filed against the INSURED.
- C. CLAIMS EXPENSE** means:
1. legal fees and expenses incurred by the Company in the investigation, defense and appeal of a CLAIM for DAMAGES arising from PROFESSIONAL SERVICES or CONTRACTING SERVICES by attorney(s) retained by the Company; or
 2. all other fees, costs, pre-judgment interest, post-judgment interest and expenses resulting from the investigation, adjustment, defense and appeal of such CLAIM, if incurred by the Company, or with the written consent of the Company, by the INSURED;
- CLAIMS EXPENSE does not include salary charges of regular employees or officials of the Company or fees and expenses of supervisory counsel retained by the Company. The time and expense incurred by the INSURED in assisting in resolving a CLAIM, including but not limited to the costs of the INSURED's in-house counsel, are not CLAIMS EXPENSE.
- D. CLEANUP COSTS** means costs, charges and expenses incurred in the investigation, removal or neutralization of POLLUTION CONDITIONS, provided that such costs, charges and expenses are caused by POLLUTION CONDITIONS arising out of the performance or lack thereof, by or on behalf of the NAMED INSURED of PROFESSIONAL SERVICES or CONTRACTING SERVICES stated in Item 5. of the Declarations.
- E. CONTRACTING SERVICES** means the performance of those activities stated in Item 5. of the Declarations performed by or on the behalf of the INSURED.
- F. DAMAGES** means a monetary judgment, award or settlement of compensatory damages. DAMAGES includes CLEANUP COSTS. DAMAGES does not include fines, taxes, penalties, or punitive, exemplary, or multiplied damages, injunctive or equitable relief, or the return of fees or charges for services rendered or expenses incurred by the INSURED for redesign, changes, additions or remedies necessitated by a CLAIM. However, DAMAGES does include fines, taxes, and penalties assessed against a third party for which the INSURED is legally liable. The time and expense incurred by the INSURED in assisting in resolving a CLAIM are not DAMAGES.
- G. INSURED** means the NAMED INSURED and:
1. any current partner, executive officer, director, or trustee of the NAMED INSURED solely while acting within the scope of their duties as such;
 2. any employee of the NAMED INSURED as specifically stated in Item 1. of the Declarations solely while acting in their professional capacity on behalf of the NAMED INSURED;
 3. any former partner, executive officer, director, or employee of the NAMED INSURED as specifically stated in Item 1. of the Declarations solely while acting within their professional capacity on behalf of the NAMED INSURED;
 4. any retired partner, executive officer, director or employee while acting within the scope of their duties as a consultant on behalf of the NAMED INSURED;
 5. any LEASED WORKER solely while acting in their professional capacity on behalf of the NAMED INSURED;
 6. any NAMED INSURED with regard to its participation in a joint venture, but solely for the NAMED INSURED's liability for the NAMED INSURED's performance of PROFESSIONAL SERVICES or CONTRACTING SERVICES under the respective joint venture.
 7. Solely as respects Coverage B - Contractor's Pollution Legal Liability, the client for whom the NAMED INSURED performs or performed covered CONTRACTING SERVICES as stated under Item 5. of the

Declarations, provided that an INSURED CONTRACT with that client is in effect between the NAMED INSURED and the client, requiring the client to be insured under the NAMED INSURED's Professional and Pollution Liability - General Contractor's Policy. However, the client is included as an INSURED under this Policy solely to the extent that the client is found liable based upon the CONTRACTING SERVICES negligently performed by the NAMED INSURED or for which the NAMED INSURED is strictly liable. This Policy, within the terms hereof, applies to clients of the NAMED INSURED up to the amount required by the INSURED CONTRACT with the NAMED INSURED and subject to the Retention amount and Limits of Liability of this Policy.

8. As respects the liability of each INSURED above as is otherwise covered herein, INSURED means the heirs, executors, administrators, assigns and the legal representatives of each of the above INSURED's in the event of death, incapacity or bankruptcy.
- H. **INSURED CONTRACT** means that part of any written contract or written agreement under which the NAMED INSURED assumes tort liability of the INSURED's client to pay for compensatory damages to persons other than an INSURED, because of BODILY INJURY or PROPERTY DAMAGE resulting from an act, error, or omission or POLLUTION CONDITIONS. However, INSURED CONTRACT does not include any tortious conduct that otherwise would not be covered under this Policy, nor if the tortious conduct was solely that of the person or persons for whom such liability under the INSURED CONTRACT was assumed. For the purposes of this definition, INSURED shall exclude any employee of the NAMED INSURED, solely while acting in their professional capacity on the behalf of the NAMED INSURED.
- I. **LEASED WORKER** means a person leased to the INSURED by a labor leasing firm under an agreement between the INSURED and the labor leasing firm, to perform duties related to the conduct of the INSURED's business. LEASED WORKER does not include TEMPORARY WORKER.
- J. **LOSS** means:
1. DAMAGES which the INSURED shall become legally obligated to pay as a result of a CLAIM; and
 2. CLAIMS EXPENSE
- K. **NAMED INSURED** means the individual, partnership, trust or corporation stated in Item 1. of the Declarations.
- L. **OCCURRENCE** means a POLLUTION CONDITION, including continuous or repeated exposure to the same general POLLUTION CONDITION.
- M. **POLICY PERIOD** means the period from the inception date of this Policy to the Policy expiration date as stated in Item 2. of the Declarations or its earlier termination date, if any.
- N. **POLLUTION CONDITIONS** means 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 watercourse or body of water, which results in BODILY INJURY, PROPERTY DAMAGE or CLEANUP COSTS.
- O. **PROFESSIONAL SERVICES** means the performance of those activities stated in Item 5. of the Declarations performed by or on the behalf of the INSURED.
- P. **PROPERTY DAMAGE** means:
1. physical injury to or destruction of tangible property including the resulting loss of use thereof, or
 2. loss of use of tangible property that has not been physically injured or destroyed.
- Q. **TEMPORARY WORKER** means a person who is furnished to the INSURED to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions.

III. TERRITORY

The Policy only applies to CLAIMS arising from PROFESSIONAL SERVICES or CONTRACTING SERVICES rendered worldwide, provided that the suit is brought or CLAIM is made within the United States, its territories or possessions or in Canada.

This policy shall not apply to any risk which would be in violation of the laws of the United States including, but not limited to, U.S. economic or trade sanction laws or export control laws administered by the U.S. Treasury, State, and Commerce Departments (e.g. the economic and trade sanctions administered by the U.S. Treasury Office of Foreign Assets Control).

IV. EXCLUSIONS

This Policy does not apply to LOSS arising from:

1. Intentional DAMAGES and Dishonest Acts

any CLAIM based upon or arising out of any dishonest, intentional, fraudulent, malicious or knowingly wrongful act, error or omission. Furthermore, such insurance as would otherwise be afforded under this Policy shall be applicable with respect to each and every INSURED who did not personally commit or personally participate in committing or personally acquiesce in or remain passive after having personal knowledge of one or more of the dishonest, intentional, fraudulent or malicious or knowingly wrongful acts, errors, or omissions described above.

2. Fiduciary Liability

any CLAIM arising from:

- a. an officer, director, partner, trustee or employee of a business enterprise not stated in Item 1. of the Declarations or charitable organization or pension, welfare, profit sharing, mutual or investment fund or trust; or
- b. a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto; or any other employee benefit plan.

3. Related/Affiliated Entities

any CLAIM made by any business enterprise which is operated or managed or owned, in whole or in part by the INSURED or parent company or any affiliated, subsidiary or associated company.

4. Personal Injury

any CLAIM based upon or arising out of false arrest, humiliation, harassment, detention or imprisonment, wrongful entry or eviction or other invasion of private occupancy, or malicious prosecution, abuse of process, libel, slander, harassment, or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.

5. Discrimination

any CLAIM based upon or arising out of discrimination on the basis of age, color, race, sex, creed, national origin, marital status, physical disability or sexual preference.

6. Discrimination for Handicap

any CLAIM based upon or arising out of discrimination on the basis of handicap, unless such CLAIM arises out of the failure to make reasonable accommodation under the Americans With Disabilities Act, as amended, in the course of performance of covered PROFESSIONAL SERVICES or CONTRACTING SERVICES as stated in Item 5. of the Declarations.

7. Securities Violation

any CLAIM based upon or arising out of a 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, federal, or other governmental law, statute and any regulation or order issued pursuant to any of the foregoing statutes, unless endorsed hereon.

8. Contractual Liability

any CLAIM based upon or arising as a result of liability of others assumed by the INSURED under any contract or agreement. This exclusion does not apply to liability for DAMAGES:

- a. assumed in a contract or agreement that is an INSURED CONTRACT, provided the act, error or omission or POLLUTION CONDITIONS occur subsequent to the execution of the contract or agreement; or
- b. that the INSURED would have in the absence of the contract or agreement.

9. Products Liability/Own Product

any CLAIM based upon or arising out of goods or products manufactured, sold, handled, distributed or supplied by the INSURED or by others under license or trade name from the INSURED. This includes, but is not limited to, any PROPERTY DAMAGE to the INSURED's own goods or products themselves.

10. Faulty Workmanship/Own Work

any CLAIM based upon or arising out of the cost to repair or replace the INSURED's work in any construction, erection, fabrication, installation, assembly or manufacture. This includes, but is not limited to, the cost to investigate the INSURED's work, or the cost of any materials, parts, labor or equipment furnished in connection with such repair or replacement.

11. Nuclear Hazard

- 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 limits 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 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; or
 - (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 11. b. (3) applies only to PROPERTY DAMAGE to such NUCLEAR FACILITY and any property thereat.
- c. As used in this exclusion:
 - (1) "HAZARDOUS PROPERTIES" includes radioactive, toxic or explosive properties;
 - (2) "NUCLEAR MATERIAL" means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL or BY PRODUCT MATERIAL;
 - (3) "SOURCE MATERIAL", "SPECIAL NUCLEAR MATERIAL" and "BYPRODUCT MATERIAL" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
 - (4) "SPENT FUEL" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;
 - (5) "WASTE" means any waste material
 - (a) containing BYPRODUCT MATERIAL; and
 - (b) resulting from the operation by any person or organization of any NUCLEAR FACILITY included within the definition of NUCLEAR FACILITY under paragraph (6) (a) or (6) (b) thereof;
 - (6) "NUCLEAR FACILITY" means:
 - (a) any NUCLEAR REACTOR

- (b) any equipment or device designed or used for separating the isotopes of uranium or plutonium, processing or utilizing SPENT FUEL, or 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;
- (7) "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;
- (8) "PROPERTY DAMAGE" includes all forms of radioactive contamination of property;

12. Workers' Compensation

any CLAIM based upon or arising under any worker's compensation, unemployment compensation or disability benefits law or similar law.

13. Employer Liability

any CLAIM based upon or arising from injury to any employee, director, officer, partner, or LEASED WORKER of the NAMED INSURED. With respect to injury to any employee, director, officer, partner, or LEASED WORKER, this exclusion does not apply to liability assumed by the NAMED INSURED while actively participating in covered PROFESSIONAL SERVICES or CONTRACTING SERVICES under an INSURED CONTRACT.

14. Vehicles

any CLAIM based upon or arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft, or rolling stock. However, this exclusion does not apply to POLLUTION CONDITIONS arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft, or rolling stock within the boundaries of the job site(s).

15. Hostile Acts

any CLAIM based upon or arising out of any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot, or civil commotion.

16. Off-Site Waste Liability

any CLAIM based upon or arising out of any waste or materials transported via automobile, aircraft, watercraft, or rolling stock beyond the boundaries of the job site(s).

17. INSURED'S Property/Bailee Liability

to any CLAIM based upon or arising out of the INSURED's ownership, rental, lease, maintenance, operation, use, repair, voluntary or involuntary sale, transfer, exchange, gift, abandonment or condemnation of any real or personal property.

This exclusion does not apply to any CLAIM for covered LOSS against the INSURED by other than an INSURED.

18. Insurance and Suretyship

any CLAIM based upon or arising out of the advising or requiring of, or failure to advise or require or failure to maintain any form of insurance, suretyship or bond, either with respect to the INSURED or any other person, entity or company.

19. Express Warranties and Guarantees

any CLAIM based upon or arising out of express warranties and guarantees. However, this exclusion does not apply to a warranty or guarantee by the INSURED that the INSURED's PROFESSIONAL SERVICES or CONTRACTING SERVICES are in conformity with generally accepted architectural or engineering standards.

20. CLAIMS from Known Circumstances

any CLAIM based upon or arising out of any circumstance

- a. known to the INSURED prior to the inception of the first POLICY PERIOD when consecutively renewed; and
- b. for which any partner, executive officer, senior officer, director, branch manager, operations manager or project manager of the NAMED INSURED knew or could have reasonably foreseen that a CLAIM would result.

21. CLAIMS Reported to Previous Insurers

any CLAIM for which the INSURED has a prior policy or policies which provide insurance for its liability arising out of such circumstance, act, error or omission or POLLUTION CONDITION that is part of the CLAIM, this Policy shall not apply to such liability whether or not the available limits of liability of such prior policy or policies are sufficient to pay any liability or CLAIM or whether or not the Deductible provisions of such prior policy or policies are different from this Policy, or whether or not such prior policy or policies cover(s) a particular CLAIM.

V. EXTENDED REPORTING PERIOD - COVERAGE "A" ONLY

A. Automatic Extended Reporting Period

In the event of termination of this insurance by any reason of non-renewal or cancellation by the INSURED, or if the Company shall cancel this Policy or terminate it by refusing to renew, for reasons other than the NAMED INSURED's non-payment of premium and/or Retention amount and/or non-compliance with the terms and conditions of this Policy, the INSURED shall be entitled to an Automatic Sixty (60) Day Extended Reporting Period for no additional premium. Except as may be otherwise provided herein, this extension of coverage granted hereunder shall be subject to all the terms and conditions of this Policy and shall apply to CLAIMS first made against the INSURED and reported to the Company, in writing, during the sixty (60) days immediately following the effective date of cancellation or non-renewal. The Automatic Extended Reporting Period granted hereunder shall only apply as respects any act, error or omission in PROFESSIONAL SERVICES rendered before such cancellation or non-renewal and otherwise covered by this Policy.

B. Optional Extended Reporting Period

In the event of the termination of this insurance by any reason of non-renewal or cancellation by the INSURED, or if the Company shall cancel this Policy or terminate it by refusing to renew, for reasons other than the NAMED INSURED's non-payment of premium and/or Retention amount and/or non-compliance with the terms and conditions of the Policy, the INSURED shall be entitled to an extension of this coverage upon payment of an additional premium of not more than 100% of the Policy Premium stated in Item 6. of the Declarations. The extension of coverage granted hereunder shall be subject to all the terms and conditions of this Policy and shall apply to CLAIMS first made against the INSURED and reported to the Company, in writing, during the three (3) consecutive three-hundred and sixty-five (365) day periods following immediately upon the effective date of such cancellation or non-renewal, but only by reason of any act, error or omission in PROFESSIONAL SERVICES rendered before such applicable cancellation or non-renewal date and otherwise covered by this Policy. This interval of three (3) consecutive three-hundred and sixty-five (365) day periods shall hereinafter be referred to as the Optional Extended Reporting Period. It is a condition precedent to the operation of the rights granted under this clause that payment of the appropriate premium shall be made not later than sixty (60) days after the effective date of cancellation or non-renewal of the Policy, without regard to the Automatic Extended Reporting Period.

The quotation of a different Policy Premium and/or Retention amount and/or Limits of Liability and/or policy conditions for renewal does not constitute a cancellation or refusal to renew for the purpose of this provision.

The fact that the period during which CLAIMS may be first made against the INSURED and reported to the Company, in writing, under this Policy is extended by virtue of the Automatic Extended Reporting Period and/or the Optional Extended Reporting Period shall not in any way increase the Limits of Liability of this Policy.

VI. LIMITS OF LIABILITY AND RETENTION

COVERAGE A - PROFESSIONAL LIABILITY

- A. Limits of Liability — Each CLAIM:** The liability of the Company for each covered CLAIM for LOSS, in excess of the Retention amount, including DAMAGES and CLAIMS EXPENSE, first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, Automatic Extended Reporting Period or Optional Extended Reporting Period, if purchased, shall not exceed the amount stated in Item 3. of the Declarations for each CLAIM.
- B. Limits of Liability — Policy Aggregate:** Subject to Item A. above (Limits of Liability—Each CLAIM), the liability of the Company shall not exceed the amount stated in Item 3. of the Declarations as Aggregate including DAMAGES and CLAIMS EXPENSE as a result of all covered CLAIMS for LOSS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, Automatic Extended Reporting Period or Optional Extended Reporting Period, if purchased.

COVERAGE B - CONTRACTOR'S POLLUTION LEGAL LIABILITY

- A. Limits of Liability — Each CLAIM:** The liability of the Company for each covered CLAIM for LOSS, in excess of the Retention amount, including DAMAGES and CLAIMS EXPENSE, made against the INSURED and reported to the Company, in writing, shall not exceed the amount stated in Item 3. of the Declarations for each CLAIM.
- B. Limits of Liability — Policy Aggregate:** Subject to Item A. above (Limits of Liability—Each CLAIM), the liability of the Company shall not exceed the amount stated in Item 3. of the Declarations as Aggregate including DAMAGES and CLAIMS EXPENSE as a result of all covered CLAIMS for LOSS made against the INSURED and reported to the Company, in writing.

COVERAGES A and B

- A. Multiple CLAIMS — Coverage A and B Separately:** The inclusion herein of more than one INSURED or the making of CLAIMS by more than one person shall not operate to increase the Company's Limits of Liability. One or more covered CLAIMS for LOSS arising out of the same or related acts, errors, or omissions in PROFESSIONAL SERVICES or the same or related OCCURRENCE resulting from CONTRACTING SERVICES shall be considered a single CLAIM, and the Limits of Liability stated in Item 3. of the Declarations as applicable to each CLAIM for LOSS shall apply and only one Retention amount shall apply thereto.
- B. Multiple CLAIMS — Coverage A and B Combined:** One or more covered CLAIMS for LOSS arising out of the same or related acts, errors or omissions and OCCURRENCE under Coverages A and B of this Policy shall be considered a single CLAIM and the Limits of Liability stated in Item 3. of the Declarations as applicable to each CLAIM for LOSS shall apply and only one Retention Amount shall apply thereto.
- C. Retention:** The Retention amount stated in Item 4. of the Declarations shall be borne by the INSURED and shall not be insured. It shall include DAMAGES and CLAIMS EXPENSE, whether or not DAMAGES are paid.

Notwithstanding the foregoing, the liability of the Company shall not exceed the Limit of Liability amount stated in Item 3. of the Declarations as Aggregate including DAMAGES and CLAIMS EXPENSE as a result of all covered CLAIMS for LOSS.

VII. DEFENSE, SETTLEMENT AND COOPERATION

- A.** 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 are groundless, false or fraudulent. Defense counsel may be designated by the Company or designated by the INSURED, subject to the Company's defense counsel guidelines and written consent. It is further agreed that the Company may make such investigation of any CLAIM as it deems expedient, but the Company shall not be obligated to pay DAMAGES or to defend or to continue to defend any CLAIM after the applicable limits of the Company's liability have been exhausted by payment of DAMAGES and/or CLAIMS EXPENSE.

- B.** 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 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 rights of indemnity, contribution or apportionment which the INSURED may have. The INSURED shall not, except at its own costs, make any payment, admit any liability, settle any CLAIMS, assume any obligation or incur any expense without the written consent of the Company.

With respect to dispute resolution mechanisms agreed to by the INSURED prior to a CLAIM in written contracts or agreements, the INSURED shall not assume any obligation thereunder after a CLAIM without the written consent of the Company. However, assuming such obligations prior to a CLAIM shall not violate the preceding condition.

- C.** The Company shall not settle any CLAIM without the consent of the INSURED. If, however, the INSURED shall refuse to consent to any settlement recommended by the Company and shall elect to contest the CLAIM or continue any legal proceedings in connection with such CLAIM, then the Company's liability for the CLAIM shall not exceed the amount for which the CLAIM could have been settled plus CLAIMS EXPENSE incurred up to the date of such refusal. Such amounts are subject to the Limits of Liability and Retention Section of the Policy.
- D.** If any INSURED shall commit fraud in proffering any CLAIM as regards amount or otherwise, the insurance shall become void as to such INSURED from the date such fraudulent CLAIM is proffered.

VIII. NOTICE

- A.** As a condition precedent to the coverage hereunder, in the event of a CLAIM, immediate written notice containing particulars sufficient to identify the INSURED and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of available witnesses, shall be given by or for the INSURED to the Company.
- B.** As a condition precedent to the coverage hereunder, if a CLAIM is made against the INSURED, the INSURED shall immediately forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED's representative.
- C.** Solely as respects to Coverage A, if the INSURED becomes aware of a circumstance for which this Policy may apply, and if during the POLICY PERIOD, the INSURED gives written notice containing:
1. details of the alleged act, error or omission by reason of the PROFESSIONAL SERVICES rendered on behalf of the INSURED, and
 2. the specific nature and extent of the BODILY INJURY and/or PROPERTY DAMAGE which has been sustained, and
 3. how the INSURED first became aware of such circumstances,

then any CLAIM for that LOSS that may subsequently be made against the INSURED arising out of such circumstances shall be deemed to have been made on the date first written notice of the circumstances was received by the Company. This right conferred upon the INSURED in this Paragraph shall terminate at the end of the POLICY PERIOD and shall not exist during the Automatic Extended Reporting Period or the Optional Extended Reporting Period.

IX. OTHER CONDITIONS

- A. Application:** By acceptance of this Policy, the INSURED agrees that the statements in the application and any supplemental materials and information submitted therewith are complete, then current and truthful representations, that they shall be deemed material, that this Policy is issued in reliance upon such representations, and that this Policy embodies all agreements existing between the INSURED and the Company, or any of its agents, relating to this insurance.

- B. Examination, Audit and Inspection:** The Company may examine, audit and inspect the INSURED's books, records, services and activities at any time during the POLICY PERIOD and after the final termination of the Policy, as far as they relate to the subject matter of the Policy.

The Company shall have the right to modify, amend or delete any of the terms and conditions of the Policy including the right to charge additional premium and the right to withdraw, rescind or void the Policy, if its examination, audit or inspection reveals any material risk, hazard or condition that was not previously disclosed by the INSURED in the application or supplemental material, or which deviated from the information disclosed in the application or supplemental material.

- C. Cancellation:** This Policy may be canceled 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 canceled by the Company by mailing to the NAMED INSURED at the address stated in Item 1. of the Declarations, written notice stating when, not less than thirty (30) days (ten (10) days for non-payment of premium), thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. 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, 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 made 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.

- D. Premium Adjustment:** When requested by the Company, the NAMED INSURED shall furnish the Company with a signed statement of the INSURED's total GROSS RECEIPTS or other premium base. The actual earned premium shall be computed thereon at the premium rate stipulated in the Policy. 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 Policy Premium as stated in Item 6. of the Declarations. When used as a premium base, GROSS RECEIPTS means the gross amount of money (less direct reimbursables) charged by the INSURED for PROFESSIONAL SERVICES and/or CONTRACTING SERVICES, as applicable, rendered during the POLICY PERIOD.

- E. Action Against Company:** No 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 final judgment has been rendered or by written agreement of the INSURED, the claimant and the Company. 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 the INSURED's estate shall not relieve the Company of any of its obligations hereunder.

- F. Assignment:** This Policy shall be void if assigned or transferred without written consent of the Company.

- G. 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 a CLAIM to prejudice such rights.

- H. Changes:** Notice to any agent or knowledge possessed by any agent or by any other person acting on behalf of the Company shall not effect a waiver or a change in any part of this Policy or stop the Company from asserting any rights 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.

- I. Sole Agent:** The first NAMED INSURED stated in Item 1. of the Declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form

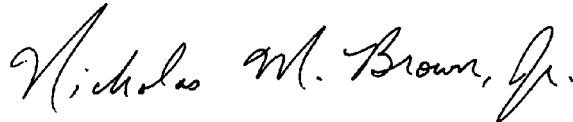
a part of this Policy, giving and receiving notice of cancellation or non-renewal, and the exercise of the rights provided in Section V. EXTENDED REPORTING PERIOD.

- J. Other Insurance:** Subject to Exclusion 21. and Section VI., Limits of Liability and Retention, this insurance shall be in excess of the Retention amount stated in Item 4. of the Declarations of this Policy and any other valid and collectible insurance available to the INSURED whether such other insurance is stated to be primary, pro rata, 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.
- K. Severability:** Except with respect to the Limits of Liability and any rights or duties specifically assigned to the first NAMED INSURED stated in Item 1. of the Declarations such as those rights and duties in Condition I., this insurance applies:
 - 1. As if each NAMED INSURED were the only NAMED INSURED; and
 - 2. Separately to each INSURED against whom CLAIM is made or suit is brought.
- L. Headings:** The descriptions in the headings of this Policy are solely for convenience and form no part of the Policy terms and conditions.
- M. Jurisdiction and Venue:** It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company and the INSURED will submit to the jurisdiction of the State of New York and will comply with all the requirements necessary to give such court jurisdiction. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company's right to remove an action to a United States District Court.
- N. Choice of Law:** All matters arising hereunder including questions related to the validity, interpretation, performance and enforcement of this Policy shall be determined in accordance with the law and practice of the State of New York (notwithstanding New York's conflicts of law rules).

IN WITNESS WHEREOF the Company has caused this Policy to be signed by its President and Secretary and countersigned on the Declarations by a duly authorized agent of the Company.



SECRETARY



PRESIDENT