

**COUNTY OF MONTEREY STANDARD AGREEMENT  
(MORE THAN \$100,000)**

This Agreement is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

San Miguel Garbage Co., Inc.  
(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

**1.0 GENERAL DESCRIPTION.**

- 1.01 The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

Provide solid waste containers and solid waste and recycling collection services at Lake Nacimiento.

**2.0 PAYMENT PROVISIONS.**

- 2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$ 379,607.84.

**3.0 TERM OF AGREEMENT.**

- 3.01 The term of this Agreement is from February 26, 2019 to February 25, 2024, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.
- 3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

**4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS.**

- 4.01 The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
- Exhibit A** Scope of Services/Payment Provisions  
**Exhibit B** Addition to Section 9.03 of Paragraph 9.0, Insurance Requirements

## 5.0 PERFORMANCE STANDARDS.

- 5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.
- 5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

## 6.0 PAYMENT CONDITIONS.

- 6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.02 Negotiations for rate changes shall be commenced by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.
- 6.03 Invoice amounts shall be billed directly to the ordering department.
- 6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

## 7.0 TERMINATION.

- 7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.



- 7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.
- 7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

## 8.0 INDEMNIFICATION.

- 8.01 CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

## 9.0 INSURANCE REQUIREMENTS.

### 9.01 Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

### 9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to

the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

- 9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

**Commercial General Liability Insurance,** including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

*(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Business Automobile Liability Insurance,** covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

*(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Workers' Compensation Insurance,** if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

*(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Professional Liability Insurance,** if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

*(Note: any proposed modifications to these insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*



9.04 Other Requirements:

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

## 10.0 RECORDS AND CONFIDENTIALITY.

- 10.01 Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.
- 10.02 County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.03 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.04 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.05 Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

## 11.0 NON-DISCRIMINATION.

- 11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal,



state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

**12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS.**

12.01 If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

**13.0 INDEPENDENT CONTRACTOR.**

13.01 In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

**14.0 NOTICES.**

14.01 Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

<b>FOR COUNTY:</b>	<b>FOR CONTRACTOR:</b>
Dalia M. Mariscal-Martinez, Management Analyst II	Aron Kardashian, Vice President
<b>Name and Title</b>	<b>Name and Title</b>
County of Monterey, Resource Management Agency 1441 Schilling Place, South 2nd Floor Salinas, California 93901-4527	San Miguel Garbage Co., Inc. P.O. Box 249 San Miguel, California 93451
<b>Address</b>	<b>Address</b>
(831) 755-8966	(805) 467-9283
<b>Phone</b>	<b>Phone</b>

## 15.0 MISCELLANEOUS PROVISIONS.

- 15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.
- 15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 15.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.04 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.



- 15.13 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

-----*This section left blank intentionally*-----

16.0 SIGNATURE PAGE.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

**COUNTY OF MONTEREY**

**CONTRACTOR**

By: \_\_\_\_\_  
Contracts/Purchasing Officer

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Department Head (if applicable)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Board of Supervisors (if applicable)

Date: \_\_\_\_\_

Approved as to Form<sup>1</sup>

By: \_\_\_\_\_  
County Counsel

Date: \_\_\_\_\_

Approved as to Fiscal Provisions<sup>2</sup>

By: \_\_\_\_\_  
Auditor/Controller

Date: \_\_\_\_\_

Approved as to Liability Provisions<sup>3</sup>

By: \_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_

\_\_\_\_\_  
San Miguel Garbage Co., Inc.  
Contractor's Business Name\*

By: \_\_\_\_\_  
(Signature of Chau, President, or  
Vice-President)\*

\_\_\_\_\_  
Armen Kardashian Vice President  
Name and Title

Date: 2/8/2019

By: \_\_\_\_\_  
(Signature of Secretary, Asst. Secretary, CFO,  
Treasurer or Asst. Treasurer)\*

\_\_\_\_\_  
Linda Kardashian Sec/Treas  
Name and Title

Date: 2.8.19

County Board of Supervisors' Agreement Number: \_\_\_\_\_, approved on (date): \_\_\_\_\_

\*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

<sup>1</sup>Approval by County Counsel is required

<sup>2</sup>Approval by Auditor-Controller is required

<sup>3</sup>Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9



**16.0 SIGNATURE PAGE.**

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

**COUNTY OF MONTEREY**

By: *[Signature]*  
Contracts/Purchasing Officer

Date: 3/1/19

By: \_\_\_\_\_  
Department Head (if applicable)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Board of Supervisors (if applicable)

Date: \_\_\_\_\_

Approved as to Form<sup>1</sup>  
By: *[Signature]*  
County Counsel

Date: 2-12-2019

Approved as to Fiscal Provisions<sup>2</sup>  
By: *[Signature]*  
Auditor/Controller

Date: 2-12-19

Approved as to Liability Provisions<sup>3</sup>  
By: \_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_

**CONTRACTOR**

San Miguel Garbage Co., Inc.  
Contractor's Business Name\*

By: *[Signature]*  
(Signature of Chair, President, or Vice-President)\*

Armen Kardashian Vicepresident  
Name and Title

Date: 2/8/2019

By: *[Signature]*  
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)\*

Linda Kardashian Sec/Treas  
Name and Title

Date: 2-8-19

County Board of Supervisors' Agreement Number: \_\_\_\_\_, approved on (date): \_\_\_\_\_

\*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

<sup>1</sup>Approval by County Counsel is required  
<sup>2</sup>Approval by Auditor-Controller is required  
<sup>3</sup>Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9

## EXHIBIT A - SCOPE OF SERVICES/PAYMENT PROVISIONS

**To Agreement by and between  
County of Monterey, hereinafter referred to as "County"  
and  
San Miguel Garbage Company, Inc., hereinafter referred to as "CONTRACTOR"**

### A. SCOPE OF SERVICES

A.1 CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

CONTRACTOR shall provide solid waste containers and solid waste and recycling collection services at Lake Nacimiento as follows:

#### A.1.1 Solid Waste Containers

1. CONTRACTOR shall provide forty (40) 3-yard solid waste containers at the locations specified on the following location map. The location and number of each solid waste container may be adjusted as necessary by the County. The total container count is fixed.

#### A.1.2 Recycling Containers

1. Currently, CONTRACTOR provides the County with eleven (11) recycling containers and collection services at no cost on an every other week service level or less if not needed. CONTRACTOR shall keep this no cost service level in place and only charge for additional collections.

#### A.1.3 Solid Waste and Recycle Collection Services

1. CONTRACTOR shall provide the County with collection services as follows. During the winter months, CONTRACTOR shall provide minimal service on a weekly basis. During the summer months, starting the week before Memorial Day weekend and ending the week after Labor Day, CONTRACTOR shall provide service at a minimum of three (3) days per week.

### B. PAYMENT PROVISIONS

#### B.1 COMPENSATION/ PAYMENT

County shall pay an amount not to exceed \$379,607.84 for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Services. CONTRACTOR'S compensation for services rendered shall be based on the following quote (see Attachment A) and in accordance with the following terms:

Annual not to exceed amount is as follows provided there are no other services required during the initial term of this Agreement.



## EXHIBIT A - SCOPE OF SERVICES/PAYMENT PROVISIONS

February 26, 2019 – February 25, 2020:	\$72,219.20
February 26, 2020 – February 25, 2021:	\$74,024.68
February 26, 2021 – February 25, 2022:	\$75,875.30
February 26, 2022 – February 25, 2023:	\$77,772.18
February 26, 2023 – February 25, 2024:	\$79,716.48

**Total Agreement not to exceed amount shall not exceed the sum of \$379,607.84**

CONTRACTOR warrants that the cost charged for services under the terms of this Agreement are not in excess of those charged to any other client for the same services performed by the same individuals.

### B.2 CONTRACTOR'S BILLING PROCEDURES

Invoices under this Agreement shall be submitted monthly and promptly, and in accordance with Paragraph 6.0, Payment Conditions, of the Agreement. All invoices shall reference the Multi-Year Agreement (MYA) number and associated Delivery Order number, and an original hardcopy shall be sent to the following address or via email to [RMA-Finance-AP-GP@co.monterey.ca.us](mailto:RMA-Finance-AP-GP@co.monterey.ca.us).

County of Monterey  
Resource Management Agency (RMA) – Finance Division  
1441 Schilling Place, South 2nd Floor  
Salinas, California 93901-4527

Any questions pertaining to invoices under this Agreement shall be directed to the RMA – Finance Division at (831) 755-4800 or via email to: [RMA-Finance-AP-GP@co.monterey.ca.us](mailto:RMA-Finance-AP-GP@co.monterey.ca.us).

County may, in its sole discretion, terminate the Agreement or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

**DISALLOWED COSTS:** CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.



**EXHIBIT A - SCOPE OF SERVICES/PAYMENT PROVISIONS**





ATTACHMENT A

# Quote

San Miguel Garbage Co. Inc  
 6625 Benton Rd  
 Paso Robles, CA 93446

Date: 12/5/2018  
 Invoice #: TBD  
 Customer Id

To: Brett Fulgoni  
 County of Monterey  
 Lake Nacimiento Resort  
 (805)674-1417

Salesperson	Job	Terms	Delivery Date	Payment Terms	Due Date
Aron	Lake Nacimiento Resort	5 Years	Approx 90 days from signed agreement	30 Days	

  

Qty	Item	Description	Unit Price	Rate	Line Total
15.00	3 yard	Solid Waste Weekly Minimum Service	121.50	Monthly	1822.00
25.00	3 yards onsite	stay locked, used and charged as needed		8 Month total Sep-Apr	14,580.00
		Current Recycle schedule incld			
40.00	3 yard	Solid Waste Container	364.62	Monthly	14,584.80
		3 times/week: M,W,F		4 Month total May-Aug	58,339.20
		Current Recycle schedule incld			
		Miscellaneous Charges and Options			
1.00	3 yard	Emergency call on nonscheduled days	375.00	Per occurrence	
1.00		Standby time per hour	160.00	Per occurrence	
1.00		Overflowing Container per yard	25.60	Per occurrence	
1.00		Manual Labor onsite per yard if material is on ground and we pick up	19.45	Per occurrence	
1.00		Locked Container dumped on off season	43.73	Per occurrence	
1.00		Unlock fee	2.33	Per occurrence	

Quotation prepared by: Aron Kardashian

This is a quotation on the goods, solid waste and recycle services subject to the conditions noted below:

This agreement will commence on start date of County approved contract and follow on a monthly billing cycle. There will be an annual increase of 2.5% on all services. Recycle services will be charged at the current commodity rate structure.

Subtotal \$ 72,219.20  
 Sales Tax  
 Annual Total \$ 72,219.20

To accept this agreement, sign here and return to: aronk@sanmiguelgarbage.com

Received by \_\_\_\_\_ Date \_\_\_\_\_

Thank you for your business!

**EXHIBIT B - ADDITION TO SECTION 9.03 OF PARAGRAPH 9.0, INSURANCE REQUIREMENTS**

**Pollution Legal Liability Coverage** with a limit of not less than \$1 million per occurrence, including any deductible or self-insured retention, covering loss (including cleanup costs) that CONTRACTOR becomes legally obligated to pay as a result of claims for bodily injury, property damage, and cleanup costs (including expenses required by environmental laws or incurred by federal, state, or local governments or third parties) that arise or are alleged to arise from pollution conditions related to CONTRACTOR's performance of its obligations under this AGREEMENT, including the loading, unloading, or transportation of cargo/waste, and including a defense for all such claims. For the purpose of this subsection, "pollution conditions" includes the dispersal, discharge, release, or escape of any solid, liquid, gaseous or thermal irritant or contaminant (such as smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste, and waste materials) into or upon land, any structure on land, the atmosphere, or any watercourse or body of water (including groundwater), provided the conditions are not naturally present in the environment in the amounts or concentrations discovered.

The liability coverage for pollution must provide contractual liability coverage, by endorsement or schedule, if necessary, for CONTRACTOR's indemnities.

**Automobile Liability Coverage** written on ISO policy forms CA 00 12 pr CA 00 20 (or their equivalent) with a limit of liability not less than \$1 million for each accident, including any deductibles or self-insured retentions; endorsed to delete the pollution and/or the asbestos exclusion and include pollution liability (using form CA 99 48 or its equivalent) for accidental spills and discharges while transporting and/or processing materials, unless such coverage is otherwise provided under the Pollution Legal Liability Coverage; and covering all vehicles (any auto).





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/07/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> McConnell, Manit & Trout Insurance Services, LLC P.O. Box 637  San Luis Obispo CA 93406		<b>CONTACT NAME:</b> Erin Viker <b>PHONE (A/C, No, Ext):</b> (805) 545-8206 <b>E-MAIL ADDRESS:</b> erin@mmtinsurance.com		<b>FAX (A/C, No):</b> (805) 545-8224	
<b>INSURED</b>  San Miguel Garbage Company, Inc. P.O. Box 249  San Miguel CA 93451-0249		<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>	
		<b>INSURER A:</b> National Interstate		032620	
		<b>INSURER B:</b> Evanston Insurance Co.		35378	
		<b>INSURER C:</b> Vanliner Insurance Co.		21172	
		<b>INSURER D:</b>			
		<b>INSURER E:</b>			
		<b>INSURER F:</b>			

**COVERAGES**      **CERTIFICATE NUMBER:** 18-19 GL/LA A/CO/PNC      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			GLW 0210136-03	04/01/2018	04/01/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/>			CAW 0210136-03	04/01/2018	04/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			XOBW7579818	04/01/2018	04/01/2019	EACH OCCURRENCE \$ 6,000,000 AGGREGATE \$ 6,000,000 \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WCN 0210195-01	10/01/2018	10/01/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

County of Monterey, its officers, agent, and employees are named as additional insured, with respects to General liability per the attached CG20100413 and CG20370413 and Auto Liability per attached CA 20481013. Coverage is primary but only as respects to operations performed by the insured for the additional insured per the attached CG20010413 and NI CA 20 56 0114 Endorsement.

**CERTIFICATE HOLDER****CANCELLATION**

County of Monterey  
1441 Schilling Place,  
South Building, 2nd Floor  
Salinas CA 93901

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
<p><b>COVERAGE PROVIDED BY THIS ENDORSEMENT APPLIES ON A BLANKET BASIS WHEN REQUIRED IN A WRITTEN CONTRACT</b></p>	
<p>County of Monterey, its officers, agents, and employees</p>	
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
<p>COVERAGE PROVIDED BY THIS ENDORSEMENT APPLIES ON A BLANKET BASIS WHEN REQUIRED IN A WRITTEN CONTRACT</p>	
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.



**C. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;  
whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND NONCONTRIBUTORY –  
OTHER INSURANCE CONDITION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

**Primary And Noncontributory Insurance**

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

**Named Insured:** SAN MIGUEL GARBAGE COMPANY

**Endorsement Effective Date:** 11/07/2018

### **SCHEDULE**

**Name Of Person(s) Or Organization(s):** County of Monterey, its officers, agents, and employees

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph A.1. of Section II – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph D.2. of Section I – Covered Autos Coverages of the Auto Dealers Coverage Form.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**PRIMARY AND NON-CONTRIBUTORY COVERAGE -**  
**ADDITIONAL INSURED - BUSINESS AUTO**

This endorsement modifies insurance provided under the following:  
**BUSINESS AUTO COVERAGE FORM**

**SCHEDULE**

Name of Person(s) or Organization(s)
Coverage provided by this endorsement applies on a blanket basis when required in a written contract.
This responsibility ends when the contractual obligations of the insured ends.

**A. The following is added to Paragraph c. under A.1. Who Is An Insured, of Section II - Covered Autos Liability Coverage:**

Any person or organization shown in the above Schedule who is required to be named as an additional insured under a written contract or agreement between you and that person or organization is an "insured" for Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the **Who Is An Insured** provision contained in Section II. In addition, the written contract or agreement must be signed and executed by you and the person or organization before the "bodily injury" or "property damage" occurs and in effect during the policy period.

**B. The following is added to Paragraph 5. Other Insurance, under B. General Conditions of Section IV - Business Auto Conditions:**

If the person or organization in the above Schedule under a written contract or agreement with you requires this insurance to be primary and non contributory, regardless of the provisions under paragraph a. and paragraph d. of part 5. **Other Insurance**, this insurance will be primary and non contributory to any other insurance where the scheduled person or organization is a Named Insured, with respects to the insured's sole negligence. The written contract or agreement must be signed and executed by you and the person or organization before the "bodily injury" or "property damage" occurs and in effect during the policy period.



# CONTRACTORS POLLUTION LIABILITY POLICY DECLARATIONS

**COLONY INSURANCE COMPANY**  
PO BOX 85122  
RICHMOND, VA 23285

**POLICY NUMBER:**  
**CSP304888**

**1. NAMED INSURED(S) AND MAILING ADDRESS:**  
SAN MIGUEL GARBAGE  
6625 BENTON RD.  
PASO ROBLES, CA 93446

**PRODUCER:** 02013  
UCPM, INC.  
335 E. GERMANN RD. #340  
GILBERT, AZ 85297

**2. POLICY PERIOD:** Inception Date: 04/01/2018                      Expiration Date: 04/01/2019  
At 12:01 A.M. Standard Time at the mailing address shown above.

**3. COVERAGES, COVERAGE LIMITS AND DEDUCTIBLES:**

In return for your payment of the premium, and in reliance upon the statements and representations in the insured(s) application(s) for this insurance, we agree with you to provide insurance subject to the terms of the policy.

This policy consists of the following Coverages for which a limit is indicated. If no limit is shown and the words "Not Purchased" appear for a Coverage, then that Coverage does not apply.

<b>Policy Aggregate Limit</b>	\$1,000,000.00
Coverage A - Contracting Services Pollution Liability - Each Pollution Condition Limit	\$1,000,000.00
Coverage B - Environmental Crisis Management Costs Limit	\$25,000.00
Deductible - Coverage A - Each Pollution Condition:	\$5,000

**4. PREMIUM:** **\$ 3,701.00**

Premium Charge for Certified Acts of Terrorism Coverage N/A

Coverage for Certified Acts of Terrorism Rejected; Exclusion attached

**Total Annual Premium - Payable at Inception** **\$ 3,701.00**

**5. FORMS APPLICABLE TO ALL COVERAGES:**

See Form U001-Schedule of Forms and Endorsements

THESE DECLARATIONS TOGETHER WITH THE INSURANCE COVERAGE FORM, AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

COUNTERSIGNED:

Date

BY:

Authorized representative or countersignature, whichever applies

**Surplus Lines Tax:** \$111.03  
**SL Stamping Fee:** \$7.40  
**Taxable Fees:** N/A

## **Privacy Policy**

Argo Group US, Inc. ("Argo Group") recognizes the importance of maintaining the privacy of our customers and the confidentiality of each individual's nonpublic personal information, including Social Security numbers. We take seriously the responsibility that accompanies our collection of nonpublic personal information, including Social Security numbers. Accordingly, Argo's corporate policy is to protect the privacy and confidentiality of our consumers and their nonpublic personal information as required by law.

### **Information Collection and Use**

In order to conveniently and effectively provide and service the insurance products we sell, we may collect and use Social Security numbers and other nonpublic personal information. As such, this policy does not prohibit the collection or use of Social Security numbers and nonpublic personal information where legally authorized and/or required. This policy complies with the requirements of the Gramm-Leach-Bliley Act (GLBA) and applicable federal and state laws and regulations implementing the act. Such laws impose certain obligations upon third persons and organizations with which we share nonpublic personal information of our consumers, customers, former customers, or claimants. Accordingly, we prohibit the unauthorized disclosure of Social Security numbers and other protected nonpublic personal information, except as legally required or authorized.

### **Information Sharing and Disclosure**

Argo Group does not rent, sell or share your personally identifiable information with nonaffiliated third parties. Argo Group may, however, share personally identifiable information with third-party contractors. These third-party contractors are prohibited from using the information for purposes other than performing services for Argo Group. Argo Group may disclose your information to third parties when obligated to do so by law and to investigate, prevent, or take action regarding suspected or actual prohibited activities, including but not limited to fraud and situations involving the security of our operations and employees.

Finally, Argo Group may transfer information, including any personally identifiable information, to a successor entity in connection with a corporate merger, consolidation, sale of all or a portion of its assets, bankruptcy, or other corporate change.

### **Security**

In order to protect your nonpublic personal information, we limit access to nonpublic personal information by only allowing authorized personnel to have access to such information. Furthermore, we maintain physical, electronic and procedural security protections to safeguard the nonpublic personal information in our records. Documents that contain an individual's protected information are destroyed before disposal; this destruction process includes the shredding of print and disposable media and deletion of electronic media. Argo Group has security measures in place to protect the loss, misuse and alteration of the information under our control. Our hardware infrastructure is housed in a controlled access facility that restricts access to authorized individuals. The network infrastructure is protected by a firewall and traffic is monitored and logged both on the firewall and servers. Sensitive administrative activities are carried out over secure, encrypted links between our offices and hosting facility. Administrative



access is limited not only to authorized employees but also to specific remote administration protocols and IP addresses. All employees with access to personally identifiable information have been advised of Argo Group's security policies and practices. Argo Group will continue to conduct internal audits of its security systems and make all necessary enhancements to ensure the safety of the website and its users. No method of transmission over the Internet or method of electronic storage is 100% secure; therefore, while Argo Group uses commercially acceptable means to protect your information, we cannot guarantee absolute security.

Any Argo Group employee who becomes aware of the inappropriate use or disclosure of Social Security numbers and other protected nonpublic personal information is expected to immediately report such behavior to the General Counsel for further action.

### **Corrected/Updated Information**

This policy applies to certain insureds of Argo Group, including but not limited to worker's compensation claimants. If you have any questions about this Privacy Policy, please contact:

General Counsel  
Argo Group US, Inc.  
P.O. Box 469011  
San Antonio, Texas 78246  
(210) 321-8400

\*Note: Argo Group is the parent of Argonaut Insurance Company; Argonaut-Southwest Insurance Company; Argonaut-Midwest Insurance Company; Argonaut Great Central Insurance Company; Argonaut Limited Risk Insurance Company; ARIS Title Insurance Corporation; Select Markets Insurance Company; Colony Insurance Company; Colony Specialty Insurance Company; Peleus Insurance Company (fka Colony National Insurance Company); Rockwood Casualty Insurance Company; Somerset Casualty Insurance Company; Grocers Insurance Agency, Inc.; Central Insurance Management, Inc.; Alteris Insurance Services, Inc.; Trident Insurance Services, LLC; Commercial Deposit Insurance Agency, Inc.; Sonoma Risk Management, LLC; John Sutak Insurance Brokers, Inc.; Colony Management Services, Inc.; Argonaut Management Services, Inc.; and Argonaut Claims Management, LLC. This Privacy Policy applies to all companies and business produced or underwritten within Argo Group.

# SIGNATURE PAGE

IN WITNESS WHEREOF, the company issuing this policy has caused this policy to be signed by its President and its Secretary and countersigned (if required) on the Declarations page by a duly authorized representative of the company. This endorsement is executed by the company stated in the Declarations.

Colony Insurance Company



**President**



**Secretary**

## SCHEDULE OF FORMS AND ENDORSEMENTS

Forms and Endorsements applying to and made part of this policy at the time of issuance:

<b>NUMBER</b>	<b>TITLE</b>
FORMS APPLICABLE -	CONTRACTORS POLLUTION LIABILITY POLICY DECLARATIONS
CAPRNOTICE-0911	CALIFORNIA NOTICE-PREMIUM REFUNDS
CPL001-0615	CONTRACTORS POLLUTION LIABILITY INSURANCE POLICY
CPL112-1215	MINIMUM EARNED PREMIUM
CPL180-0616	EXCLUSION - UNMANNED AIRCRAFT
D2-0117	CALIFORNIA NOTICE
ENVCNR-0916	CANCELLATION
ENVNOTICE-0615	IMPORTANT POLICYHOLDER INFORMATION
EV165B-0115	CERTIFIED ACTS OF TERRORISM AND OTHER ACTS OF TERRORISM EXCLUSION
ILP001-0104	U.S. TREASURY DEPT'S "OFAC" ADVISORY NOTICE TO POLICYHOLDERS
PRIVACYNOTICE-0415	PRIVACY NOTICE
SIGCIC-0817	SIGNATURE PAGE
TRIANOTICEENV-0115	POLICYHOLDER DISCLOSURE-NOTICE OF TERRORISM INSURANCE COVERAGE
U001-1004	SCHEDULE OF FORMS AND ENDORSEMENTS
U094-0415	SERVICE OF SUIT



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SERVICE OF SUIT**

If service of process is to be made upon the Company by way of hand delivery or courier service, delivery should be made to the Company's principal place of business:

Claims Manager

Colony Insurance Company,  
Colony Specialty Insurance Company, or  
Peleus Insurance Company  
8720 Stony Point Parkway, Suite 400  
Richmond, Virginia 23235

If service of process is to be made upon the Company by way of the U.S. Postal Service, the following mailing address should be used:

General Counsel

Colony Insurance Company,  
Colony Specialty Insurance Company, or  
Peleus Insurance Company  
P.O. Box 469011  
San Antonio, Texas 78246

Where required by statute, regulation, or other regulatory directive, the Company appoints the Commissioner of Insurance, or other designee specified for that purpose, as its attorney for acceptance of service of all legal process in the state in any action or proceeding arising out of this insurance.

The Commissioner or other designee is requested to forward process to the Company as shown above, or if required in his/her particular state, to a designated resident agent for service of process.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**



# **Contractors Pollution Liability**

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# Colony Specialty CPL Insurance Policy

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This Policy provides certain insurance coverages on a discovery basis. Various provisions in this Policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this Policy the words and phrases that appear in bold have special meaning and are defined in Section IX. DEFINITIONS. The terms "we", "us", "our" and "insurer" refer to the Company providing this insurance. The terms "you" and "your" refer to the Named Insured shown in the Declarations and any other person or entity that qualifies as a Named Insured under this Policy.

In consideration of the payment of the premium and any deductible, when due, and in reliance upon all the statements made in the Application, made part of this Policy, including any other supplemental materials and information submitted in connection with the Application, and subject to all the terms of this Policy, the Company agrees to provide insurance coverage as described herein:

## I. COVERAGE A – CONTRACTING SERVICES POLLUTION LIABILITY

### 1. Third-Party Claims

We will pay on behalf of the insured **loss** that the insured becomes legally obligated to pay because of **bodily injury, property damage or environmental damage** that: (i) takes place during the **policy period**, (ii) is caused by a **pollution condition** in the **coverage territory**, (iii) results from **your work**, and (iv) results in a **claim** for such **bodily injury, property damage or environmental damage**.

### 2. Emergency Expenses

We will pay the **emergency expenses** you first incur during the **policy period** arising from a **pollution condition** in the **coverage territory** resulting from **your work**.

## II. COVERAGE B - ENVIRONMENTAL CRISIS MANAGEMENT COSTS

We will pay the **crisis management costs** you incur as a direct result of a **crisis management event** that:

- a. arises directly from a **pollution condition** that has resulted, or is reasonably likely to result, in **loss** covered under Coverage A;
- b. commences during the **policy period**; and
- c. first becomes known to a **responsible insured** during the **policy period** and is reported to us in writing as soon as possible, but in any event during the **policy period** or within thirty (30) days after the end of the **policy period**.

We will pay those **crisis management costs** you incur even if coverage hereunder is still to be confirmed by us, but we will stop paying such fees as soon as it becomes evident, to either you or us, that this insurance does not apply. **Crisis management costs** are not subject to any retention or deductible.



### III. EXCLUSIONS

This Policy does not apply to any **claim** or **loss** arising out of:

**a. Claims Brought by Waste Disposal Facility Owner or Operator**

**Bodily injury, property damage or environmental damage** sustained by an owner or operator of a **waste disposal facility**, including any parent, subsidiaries, affiliates, related companies, predecessors-in-interest or successors-in-interest or assignees of the owner or operator, arising out of a **pollution condition** that commenced after your **waste** was delivered to the **waste disposal facility**.

**b. Contractual Liability**

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

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in an **insured contract**, provided the **bodily injury, property damage or environmental damage** occurs subsequent to the execution of the **insured contract**. Solely for the purposes of liability assumed in an **insured contract**, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of **bodily injury, property damage or environmental damage** provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same **insured contract**; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

Regardless of how **legal defense costs** are treated elsewhere in this Policy, any coverage afforded under subparagraph (b) for reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured shall reduce the applicable limits of liability in Section VI. LIMITS OF LIABILITY AND DEDUCTIBLE.

**c. Covered by Project-Specific Insurance**

**Your work**, if the **claim** or **loss** is covered by any project-specific insurance available to the insured.

**d. Criminal Fines, Penalties or Assessments**

Criminal fines, criminal penalties or criminal assessments.

**e. Damage To Your Work**

**Property damage or environmental damage to your work** arising out of it or any part of it. However, this Exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**f. Employer's Liability**

**Bodily injury** to:

(1) An **employee** of the insured arising out of and in the course of:

- (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that **employee** as a consequence of paragraph (1) above.

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

This Exclusion does not apply to liability assumed by the insured under an **insured contract**.

**g. Expected or Intended Injury or Damage**

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

**h. Failure to Comply**

A **responsible insured's** knowing, willful or deliberate failure to comply with, or disregard of, any statute, regulation, ordinance, administrative complaint, notice of violation, directive, order, or instruction made by or on behalf of any governmental body or agency, including a failure to report any **pollution condition** to the appropriate governmental agency when required by law.

This Exclusion does not apply to a **responsible insured's** non-compliance that is based upon good faith reliance on written advice of outside counsel received in advance of such non-compliance.

**i. Intentional Acts**

A **responsible insured's** dishonest, fraudulent, malicious, willful, deliberate or knowingly wrongful act resulting in **bodily injury, property damage or environmental damage**.

**j. Internal Expenses**

Any costs, charges or expenses incurred by any insured for goods supplied or services performed by any **temporary workers, volunteer workers, staff or salaried employees** of the insured, its parent, subsidiary or affiliate, unless and until, our consent, such consent being within our sole discretion, to incur such costs, charges or expenses is provided in writing to you.

**k. Known Pollution Condition, Injury or Damage**

Any **pollution condition, bodily injury, property damage or environmental damage** that was known to any **responsible insured** as of the **Inception date**. This Exclusion does not apply to **pollution conditions** known to any **responsible insured** as of the **inception date** that resulted from the work or operations of others and not from **your work**.

**l. Nuclear Material**

- (1) The radioactive, toxic or explosive 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; or
- (2) The actual, alleged, suspected or threatened ingestion of, inhalation of, contact with, exposure to, existence of, or presence of any radioactive matter or material arising out of **your product**.

**m. Property Damage to a Conveyance**

**Property damage to a conveyance** utilized by you or on your behalf during **transportation**. However, this Exclusion does not apply to a **claim** brought by a third-party carrier alleging negligence on your part.

**n. Related Entities and/or Individuals**

**Bodily injury, property damage or environmental damage** sustained by any person, entity or organization:

- (1) that is owned, managed, or controlled by such insured or in which such insured has an ownership interest in excess of twenty-five (25%) percent;
- (2) of which such insured is an officer, partner, or director; or
- (3) that owns, operates, or manages such insured.

**o. War**

- (1) War, including undeclared or civil war;
- (2) War-like 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.

**p. Waste Disposal**

The disposal of any products or materials, including, but not limited to, **your products or waste**, that have been delivered to any premises, **location**, or facility for the purpose of treatment, storage, processing, recycling or disposal. However, this Exclusion does not apply to your use of a **waste disposal facility**.

**q. Workers' Compensation and Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**r. Your Product**

- (1) **Your product**; or

- (2) **Property damage or environmental damage to your product**, arising out of it or any part of it.

However, subparagraph (1) does not apply to **your products** that are installed as part of **your work at a job site**.

#### IV. DEFENSE

We have the right and duty to defend the insured against a **suit** seeking damages to which this insurance applies. We have no duty to defend the insured against any **claim** or **suit** seeking damages to which this insurance does not apply. Our duty to defend ends when the applicable Limit of Liability has been exhausted by the payment of **loss**. We may, at our discretion, investigate any **pollution condition or claim** and settle any **claim** or **suit**. With respect to any **pollution condition or claim** we investigate or **suit** we defend, we will pay **legal defense costs**. **Legal defense costs** are in addition to, and do not reduce, the limits of liability.

#### V. WHO IS AN INSURED

Each of the following is an insured:

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your **executive officers** and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
  - a. Your **volunteer workers**, but only while performing duties related to the conduct of your business, or your **employees**, other than either your **executive officers** (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these **employees** or **volunteer workers** is an insured for:

- (1) **Bodily injury:**



- (a) To you, to your partners or members (if you are a partnership or joint venture), or to your members (if you are a limited liability company);
  - (b) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in subparagraph (1) (a) above; or
  - (c) Arising out of the providing or failure to provide professional health care services except incidental health care services provided by any physician, dentist, nurse, emergency medical technician or paramedic who is employed by you to provide such services and provided you are not engaged in the business of providing such services.
- (2) **Property damage or environmental damage** to property:
- (a) Owned, occupied or used by; or
  - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your **employees, volunteer workers**, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your **employee** or **volunteer worker**), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Policy.
3. Any subsidiary, associated, affiliated or allied company or corporation, including subsidiaries thereof, of which you have more than 50% ownership interest as of the **inception date** is a Named Insured; however, such entities shall cease to be a Named Insured if you cease to maintain more than a 50% ownership interest.
4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However, coverage for such organization:
- a. Is afforded only until the 90th day after you acquire or form the organization or the end of the **policy period**, whichever is earlier;
  - b. Applies only if you give us written notice within 90 days after you acquire or form the organization, or before the end of the **policy period**, whichever is earlier;
  - c. Is conditioned upon your payment of any additional premium that we charge for such organization;

- d. Is subject to any changes in policy terms, conditions or exclusions that we impose; and
- e. Does not apply to any **bodily injury, property damage, environmental damage or pollution condition** that took place before you acquired or formed the organization.

Unless there is compliance with each of subparagraphs **b.** through **e.** above, there shall be no coverage under this Policy for a newly acquired or formed organization.

- 5. Any person or organization with whom you agree to include as an insured pursuant to a written contract, written agreement or permit is an insured, but only with respect to **bodily injury, property damage or environmental damage**: (i) arising out of **your work**, including **completed operations**, (ii) caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf, and (iii) only for the lesser of the applicable limits of liability set forth in Section VI. LIMITS OF LIABILITY AND DEDUCTIBLE or the minimum limits of liability required by such written contract.

The insurance afforded under this paragraph **5.** only applies to the extent permitted by law and will not be broader than that which you are required by the contract or agreement to provide for such insured. Furthermore, a manager or lessor of premises, a lessor of leased equipment, or a mortgagee, assignee, or receiver is not an insured as respects **bodily injury, property damage or environmental damage**:

- a. Arising out of any **pollution condition** that takes place after the equipment lease expires or you cease to be a tenant; or
- b. Arising out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor of premises, or mortgagee, assignee, or receiver.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

## VI. LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of **claims, suits**, claimants or insureds, the following limits of liability apply:

### 1. **Policy Aggregate Limit**

The Policy Aggregate Limit set forth in Item 3 of the Declarations is the most we will pay for all **loss** under this Policy.

### 2. **Contracting Services Pollution Liability - Each Pollution Condition Limit**

Subject to Paragraph 1. above, the Contracting Services Pollution Liability - Each Pollution Condition Limit set forth in Item 3 of the Declarations is the most we will pay for all **loss** arising out of the same, related, continuous or repeated **pollution condition(s)**.

### 3. **Environmental Crisis Management Costs Limit**

Subject to Paragraph 1. above, the Environmental Crisis Management Costs Limit set forth in Item 3 of the Declarations is the most we will pay for all **loss** under Coverage B – Environmental Crisis Management Costs.

#### 4. Multiple Policies or Policy Periods

- a. All progressive or indivisible **bodily injury, property damage or environmental damage**, including any continuation, change or resumption of such injury or damage, which occurs over a period of days, weeks, months or longer caused by continuous or repeated exposure to the same, related, continuous or repeated **pollution condition(s)** shall be deemed to have occurred only on the date of first exposure to such **pollution condition**.

However, if the date of first exposure cannot be determined and the **bodily injury, property damage or environmental damage** continues in fact during this **policy period**, all such injury or damage shall be deemed to have occurred during the policy period of the first policy issued to you by us or **our affiliate** providing substantially the same coverage as provided by this Policy for **bodily injury, property damage or environmental damage** that takes place during the **policy period**.

- b. If the same, related, continuous or repeated **pollution condition(s)** take place over the periods of multiple policies issued by us or **our affiliate** to you providing substantially the same coverage as provided by this Policy for **bodily injury, property damage or environmental damage** that takes place during the **policy period**:
- (1) all such **bodily injury, property damage or environmental damage** shall be deemed to have taken place only during the policy period of the first such policy in which any of the **bodily injury, property damage or environmental damage** took place; and
  - (2) all **loss** arising from all such **bodily injury, property damage or environmental damage** shall be deemed to have arisen from one **pollution condition** and shall be subject to the limits of liability in effect for such first policy period.

#### 5. Extension of Policy Period

The Limits of Liability apply to the entire **policy period**. Any extension of the **policy period** that occurs after the **inception date** shall be deemed part of the preceding period for the purposes of determining the applicable Limits of Liability.

#### 6. Deductible

We will pay **loss** in excess of the applicable Deductible set forth in Item 3 of the Declarations. Deductible payments do not erode the Limits of Liability.

A separate Deductible will apply to each **pollution condition**, or related, continuous or repeated **pollution condition(s)**.

The Deductible includes **legal defense costs**. If the same, related, continuous or repeated **pollution condition(s)** results in application of more than one Coverage, only the highest applicable Deductible shall apply.

Upon our request, the **first named insured** shall promptly reimburse us for advancing any portion of the Deductible we have paid. In the event that the **first named insured** does not promptly reimburse us for any Deductible amount so advanced, any costs incurred by us in the collection of those amounts shall be added to the Deductible amounts due to us including, but not limited to, collection agency fees, attorney fees and interest.

## VII. NOTICE, RIGHTS AND DUTIES

### 1. Your Duties in the Event of a Pollution Condition

- a. It is a condition precedent to coverage that you give us written notice of a **pollution condition** as soon as practicable. Written notice shall contain all of the following information:
- (1) The cause of the **pollution condition**;
  - (2) The address of the **location** where the **pollution condition** took place;
  - (3) The circumstances under which and the date the insured first became aware of the **pollution condition**;
  - (4) **Bodily injury, property damage, environmental damage or cleanup costs** which have resulted or may result from such **pollution condition**;
  - (5) The name of all insureds that may be subject to a **claim** and all potential claimants;
  - (6) All engineering information available relating to the **pollution condition**; and
  - (7) Any other information that we deem reasonably necessary and is reasonably available to the insured.
- b. You shall have the duty to mitigate and clean up any **pollution condition** to the extent required by **environmental laws**, including retaining appropriate **environmental professionals**. We may exercise our right to require that such **environmental professionals** have certain professional qualifications, including experience with similar **pollution conditions** and **cleanup costs**. We shall have the right but not the duty to review and approve all aspects of any such cleanup. You shall notify us of actions and measures taken pursuant to this Paragraph.

### 2. Our Rights in the Event of a Pollution Condition

We shall have the right, but not the duty, to clean up or mitigate a **pollution condition** upon receiving notice as provided under Paragraph 1. above. Any sums we expend in taking such action shall be deemed incurred or expended by the insured and shall be applied against the Limits of Liability and Deductible of this Policy. Further, we shall have the right, but not the duty, to participate in decisions regarding **cleanup costs** and to assume direct control over all aspects of the cleanup and the adjustment of any **claim** or **emergency expenses** up to the applicable Limits of Liability. If we exercise this right, the insured shall promptly reimburse us for any element of **loss** falling within the Deductible.

### 3. Your Duties in the Event of a Claim or Suit

Without limiting the requirements of any insuring agreement in this Policy, you shall give us written notice of any **claim** made or **suit** brought against an insured as soon as practicable. Such written notice shall include the following:

- a. All reasonably obtainable information with respect to the circumstances of the **claim** or **suit**, and the names and addresses of the claimants and available witnesses;



- b. All demands, summonses, notices or other process or legal papers received in connection with the **claim** or **suit**; and
  - c. Other information in the possession of the insured or its hired experts which we deem reasonably necessary.
- 4. **Your Duties with Respect to Emergency Expenses**

Within ten (10) days of the first discovery of the **pollution condition** for which **emergency expenses** have been incurred, you shall forward to us all information pertaining to the **emergency expenses** incurred. Such information shall include, to the extent reasonably available, the cause and **location** of the **pollution condition**, costs incurred and all associated invoices, technical reports, laboratory data, field notes, expert reports, investigations, data collected, regulatory correspondence or any other documents relating to the **emergency expenses** incurred.
- 5. **Knowledge of a Pollution Condition**

Knowledge of a **pollution condition** by any of your agents, servants or **employees**, or any other person shall not in itself constitute knowledge by you unless a **responsible insured** or a manager or equivalent level **employee** in your Risk Management, Insurance or Law Department possesses such knowledge.
- 6. **Mistaken Notice**

If you mistakenly notify another insurer rather than us of a **pollution condition**, such mistaken failure to notify us shall not invalidate coverage so long as you notify us of the **pollution condition** within a reasonable time after you become aware of such error.

## VIII. CONDITIONS

- 1. **Action against Company**

No person or organization other than an insured has a right under this Policy:

  - a. To join us as a party or otherwise bring us into a **suit** against any insured; or
  - b. To sue us, in connection with this insurance unless all of this Policy's terms have been fully complied with.

However, a person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for any **loss** that is not payable under the terms of this Policy or that is in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.
- 2. **Appeals**

At our discretion, we may appeal any judgment that would result in a payment under this Policy. When we appeal, we will pay all costs associated with the appeal in addition to the limits of liability. Any such appeal will not increase our limits of liability.
- 3. **Bankruptcy**

Bankruptcy or insolvency of an insured or an insured's estate shall not relieve us of our obligations under this Policy. However, any such insolvency or bankruptcy of an insured or an insured's estate shall not increase our obligations including, but not limited to, those with respect to any Deductible.

**4. Cancellation**

- a. The **first named insured** may cancel this Policy by delivery thereof to us or our authorized agent, or by mailing to us written notice stating when thereafter the cancellation shall be effective. If the **first named insured** cancels, any unearned premium will be paid to the **first named insured** calculated on the customary short rate basis.
- b. We may cancel this Policy by mailing to the **first named insured** at the address shown in Item 1 of the Declarations, a notice stating when such cancellation shall be effective. We may cancel this Policy for the following reasons only:
  - (i) Non-payment of premium; or
  - (ii) Fraud or material misrepresentation.

If we cancel, any premium refund will be calculated on a pro rata basis.

- c. The time of delivery 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 **first named insured** or by us shall be equivalent to mailing. Proof of mailing such notice shall be sufficient proof of notice.

We shall provide notice of cancellation not less than:

- (1) ten (10) days prior to the effective date of cancellation for non-payment of premium; or
  - (2) sixty (60) days prior to the effective date of cancellation for fraud or material misrepresentation.
- d. We will tender any premium refund due upon cancellation to the **first named insured** as soon as practicable after cancellation is effective, but tender of such premium refund is not a condition of cancellation.

**5. Changes and Assignment**

The terms, definitions, conditions, exclusions and limitations of this Policy shall not be waived or changed, and no assignment of any interest in this Policy shall bind us, except as provided by an endorsement issued by us and attached to this Policy.

**6. Consent**

Subject to Section III. EXCLUSIONS, paragraph J., where our consent or your consent is required under this Policy, such consent shall not be unreasonably withheld, delayed, conditioned or denied.

**7. Cooperation**

The insured shall assist and cooperate with us in the investigation, adjustment, defense or settlement of any **claim** or **suit**, including participating in meetings, testifying at hearings, depositions and trials, securing evidence, assisting us with investigating the existence of and procuring access to any other applicable insurance coverage and providing any written statements as we may require.

**8. Currency**

Any reimbursement we make under this Policy will be made in U.S. currency at the prevailing exchange rate on the date the judgment is rendered, or the date the amount of

the settlement is agreed upon, or the date any other reimbursable expenditure is made by the insured, whichever is most applicable.

**9. Declarations and Representations**

By acceptance of this Policy, you agree that:

- a. The statements contained in the Declarations, the Application and any supplemental materials and information submitted in connection with the Application or any amendments to the Policy during the **policy period**, are your statements and representations;
- b. This Policy is issued in reliance upon the truth of such statements and representations;
- c. The statements and representations provided to us contain no material omissions; and
- d. This Policy embodies all agreements existing between you and us relating to the coverage provided hereunder.

**10. Economic and Trade Sanctions**

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, or Commerce Departments.

**11. Headings**

The descriptions in the headings and sub-headings of this Policy are included solely for convenience and form no part of this Policy's terms and conditions.

**12. Independent Counsel**

In the event an insured is entitled by law to select independent counsel to represent or defend an insured at our expense, the attorney's fees and all other litigation expenses incurred by us shall be limited to the rates we would pay to counsel normally retained by us in the ordinary course of business when defending similar **claims** in the jurisdiction where the **claim** arose or is being defended. In addition, we may exercise our right to require that such counsel:

- a. Meet certain minimum qualifications with respect to competency, including possessing a minimum of five (5) years experience in defending **claims** similar to those asserted against the insured;
- b. Maintain suitable errors and omissions insurance coverage; and
- c. Agree, in writing, to respond in a timely manner to our requests for information regarding the **claim**.

An insured may, at any time, waive any right it may have to select independent counsel.

**13. Inspection and Audit**

With reasonable notice to you, we shall be permitted, but not obligated, to inspect, sample and monitor on a continuing basis your property, equipment and/or operations. Neither our right to make inspections, sample and monitor, nor the actual undertaking thereof, nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of you or others, to determine or warrant that such property, equipment and/or

operations are safe, healthful or conform to acceptable engineering practice or are in compliance with **environmental laws**, or any other law, rule or regulation. Further, the **first named insured** agrees on behalf of all insureds, to grant us both the right to interview, and access to, any insured whom we reasonably believe may have relevant information pertaining to any **claim** or **pollution condition** potentially covered under this Policy.

**14. Other Insurance**

If other valid and collectible insurance is available for any **loss** subject to coverage under this Policy, this insurance applies in excess of such other insurance, whether primary, excess, contingent or on any other basis except if such other insurance is specifically written to be excess insurance over the limits of liability of this Policy, this insurance will be primary. In the event that a written contract, written agreement or permit requires this insurance to be primary for any person or organization that you agreed to insure, and provided such person or organization is an insured under this Policy, this insurance will be primary and we will not seek contribution from any other insurance issued to such person or organization.

If all of the other insurance permits contribution by equal shares, we also will follow such method. Under this method, each insurer contributes equal amounts until it has paid its limit of liability or no **loss** remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its limit of liability to the total applicable limits of insurance of all insurers.

**15. Separation of Insureds**

Except with respect to the Limits of Liability, Deductible, and any rights and duties specifically assigned to the **first named insured**, this insurance applies:

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

Misrepresentation or concealment by one insured shall not prejudice the interest or coverage for another insured under this Policy, except where such latter insured is a parent, subsidiary, or affiliate of the insured that committed such misrepresentation or concealment. For the purposes of this condition, an "affiliate" means an entity that directly or indirectly is controlled by, or is under common control with, the insured that committed such misrepresentation or concealment. Notwithstanding the forgoing, nothing stated herein shall preclude us from seeking and obtaining rescission of this Policy in the event of a material misrepresentation in the application for insurance. In addition, nothing stated herein shall operate to increase the limit(s) of liability provided hereunder.

**16. Sole Agent**

The **first named insured** shall act on behalf of all insureds for the payment of the Deductible, 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.

**17. Subrogation**

In the event of any payments made pursuant to this Policy, we shall be subrogated to any insured's rights of recovery against any person, entity or organization. The insured shall

execute and deliver instruments and papers and do whatever is necessary to secure and perfect such rights. No insured shall do anything to prejudice such rights.

Any recovery obtained as a result of subrogation, after such expenses incurred in the subrogation proceedings are deducted by us, shall accrue first to the insured to the extent of any payments in excess of the Limit of Liability; then us to the extent of any payments made under this Policy; and then to the insured to the extent of its Deductible.

However, if the insured has waived rights of recovery against any person, entity or organization prior to a **claim** or **loss**, we waive any right to recovery we may have under the Policy against such person, entity or organization.

**18. Voluntary Payments**

The insured shall not settle any **claim** or **suit** or, with the exception of **emergency expenses**, make any voluntary payments without our prior written consent. If we recommend a settlement, the insured shall have the opportunity to consent to it, such consent not to be unreasonably withheld or delayed. If we recommend a settlement that is acceptable to a claimant for a total amount in excess of the applicable Deductible and within the applicable Limits of Liability and the insured refuses to consent to such settlement, then our liability for **loss** shall be limited to that portion of the recommended settlement, and the **legal defense costs** incurred as of the date of the insured's refusal, which exceeds the Deductible and falls within the applicable Limit of Liability.

**IX. DEFINITIONS**

**1. Auto** means:

- a. a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

**2. Bodily injury** means the following injury(ies) sustained by any person, including, if applicable, death resulting therefrom:

- a. physical injury, sickness, disease, or illness, including the cost of medical monitoring if resulting from any of the foregoing; and mental anguish, emotional distress, or shock.

**3. Cargo** means your goods, products or **wastes**, or any goods, products or **wastes** for which you are legally liable.

**4. Claim** means a written notice, demand or assertion of a legal right alleging liability or responsibility on the part of an insured for **loss**, and includes a **suit**.

**5. Cleanup costs** means reasonable and necessary expenses, including **restoration costs**, incurred with our prior written consent which shall not be unreasonably withheld or delayed, to investigate, remove, treat, remediate, neutralize or immobilize a **pollution condition**, including associated monitoring or disposal costs, to the extent:

- a. required by **environmental laws** or if no applicable laws exist, to the extent recommended in writing by an **environmental professional**; or



- b. actually incurred by the government or any political subdivision of the United States of America or any state thereof, or by third parties.
6. **Completed operations** means **your work** that has been completed and not abandoned. **Your work** will be deemed completed at the earliest of the following times:
- a. when all of **your work** called for in your contract has been completed;
  - b. when all of the work to be done at the **job site** has been completed if your contract calls for **your work** at more than one **job site**; or
  - c. when that part of **your work** done at a **job site** has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

7. **Conveyance** means any **auto**, railcar, train, watercraft or aircraft, provided the person or entity transporting the goods, products or **waste** is both in the business of and is properly licensed to transport the materials being moved. **Conveyance** does not include pipelines.
8. **Coverage territory** means anywhere in the world, with the exception of any country in which this insurance would be in violation of the laws of the United States as set forth in Section VIII. CONDITIONS, paragraph 10. Economic and Trade Sanctions, provided that the insured's responsibility to pay any damages is determined in a **suit** on the merits in the United States of America, its territories and possessions, Puerto Rico or Canada, or in a settlement we agree to in writing.
9. **Crisis management consultant** means a professional firm or consultant that provides crisis management services and has been approved in writing by us, the approval for which shall not be unreasonably withheld.
10. **Crisis management costs** mean those reasonable and necessary fees and expenses:
- a. incurred by you within ninety (90) days after the **crisis management event** is discovered by you, or thereafter as approved by us in writing; and
  - b. for services provided to you by a **crisis management consultant** for the sole purpose of assisting you with:
    - (1) managing the media in direct response to a **crisis management event** to which this insurance applies; or
    - (2) minimizing the economic harm to you caused by a **crisis management event** to which this insurance applies by consulting with you with respect to maintaining and restoring your company's public image or reputation.

The insured must take reasonable steps to minimize **crisis management costs**.

11. **Crisis management event** means the public announcement or accusation by a third party that a **pollution condition** for which you are alleged to be legally responsible, has caused:
- a. **bodily injury** involving multiple third parties; or
  - b. **property damage**, but only to the extent resulting in actual physical damage or **environmental damage** to multiple real properties or residential or office units within a building, owned by third parties;

provided, that one of your **executive officers** has proffered, in our sole discretion, a good faith opinion that the public announcement or accusation has caused or is reasonably likely to cause economic harm to, or a material adverse effect on, your company's image or goodwill.

12. **Emergency expenses** means reasonable and necessary expenses incurred within the first ninety-six (96) hours of discovery of a **pollution condition** to abate or respond to an imminent and substantial threat to human health or the environment resulting from such **pollution condition**.
13. **Employee** includes a **leased worker**. **Employee** does not include a **temporary worker**.
14. **Environmental damage** means (i) physical damage to biota, soil, groundwater, surface water or the atmosphere caused by a **pollution condition**, or (ii) the presence of **microbial matter**; in either case giving rise to **cleanup costs** or **emergency expenses**. **Environmental damage** does not include **property damage**.
15. **Environmental laws** means any federal, state, provincial, commonwealth, municipal or other local law, statute, directive, ordinance, rule, guidance document, regulation, and all amendments thereto, including voluntary cleanup or risk-based corrective action guidance, governing the liability or responsibilities of the insured with respect to a **pollution condition**.
16. **Environmental professional** means an individual designated by us or by you with our prior written consent who is currently certified or licensed in a recognized field of applicable environmental science as required by a state board or professional association and who maintains errors and omissions coverage acceptable to us.
17. **Executive officer** means a person holding any of the officer positions created by the insured in its charter, constitution, by-laws or any other similar governing document.
18. **First named insured** means the first person or entity identified in Item 1 of the Declarations.
19. **Illicit abandonment** means the intentional placement, abandonment or disposal on, or into a **job site** by a person or entity that:
- a. is not an insured;
  - b. is not affiliated by common ownership with an insured; and
  - c. has never maintained an ownership or operational interest in the **job site**.
20. **Inception date** means the first date set forth in Item 2 of the Declarations.

**21. Insured contract means:**

- a. (1) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an **insured contract**;
- (2) A sidetrack agreement;
- (3) An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- (4) An elevator maintenance agreement;
- (5) That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for **bodily injury, 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.

Paragraph (5) does not include that part of any contract or agreement:

- (a) That indemnifies an architect, engineer, or surveyor, his agents or **employees**, for injury or damage arising out of preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs, or specifications; or giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
- (b) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (a) above and supervisory, inspection, architectural or engineering activities.

- b. A written contract or agreement listed on a Schedule of Insured Contracts endorsement to this Policy.

**22. Job site means a location where you perform your work other than any:**

- a. **waste disposal facility**; or
- b. **location** owned, operated, leased, rented, or managed by an insured, or any subsidiary or affiliate of an insured, at any time.

However, paragraph **b.** above does not apply to a **location** rented or leased for a short time in support of a project.

**Job site** also includes a **location** where you temporarily store materials, parts or equipment used in **your work** for a period of not more than ten (10) days.

- 23. Leased worker means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. Leased worker does not include a temporary worker.**

**24. Legal defense costs means:**

- a. reasonable and necessary costs, charges and expenses including expert charges, incurred in the investigation of a **pollution condition or claim**, or the adjustment, defense or settlement of any **claim or suit**;
- b. all reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the **claim or suit**, including actual loss of earnings up to \$750 a day because of time off from work;
- c. all court costs taxed against the insured in the **suit**; however, these payments do not include attorneys' fees or attorneys' expenses or sanctions taxed to, awarded against or imposed upon the insured;
- d. prejudgment interest awarded against the insured on that part of the judgment we pay; if we make an offer to pay the applicable Limit of Liability, we will not pay any prejudgment interest based on that period of time after the offer;
- e. all interest on the full amount of any judgment within the applicable Limit of Liability that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability; and
- f. reasonable and necessary costs, charges and expenses including expert charges, incurred with our prior written consent, in representing the insured in an action brought by a regulatory agency with jurisdiction over **environmental laws**.

**25. Loading or unloading means the handling of property:**

- a. after it is moved from the place where it is accepted for movement into or onto a **conveyance**;
- b. while it is in or on a **conveyance**; or
- c. while it is being moved from a **conveyance** to the place where it is finally delivered.

**Loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **conveyance**.

**26. Location means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.**

**27. Loss means:**

- a. monetary awards or settlements of compensatory damages;
- b. (1) civil fines, civil penalties and civil assessments for **bodily injury, property damage or environmental damage**; and  
(2) where insurable by law, punitive, exemplary or the multiplied portion of multiplied damages;

- c. solely with respect to Coverage A, **emergency expenses**; and
  - d. solely with respect to Coverage B, **crisis management costs**.
28. **Low-level radioactive waste** means **waste** that is radioactive but is not spent nuclear fuel, byproduct material (as defined in 10 C.F.R. § 20.1003), uranium mill tailings, transuranic radioactive waste, or classified as high-level radioactive waste by the U.S. Nuclear Regulatory Commission.
29. **Microbial matter** means mold, fungus or legionella on or within any building or structure whether or not the substance is living.
30. **Mixed waste** means **waste** containing some levels of both **low-level radioactive waste** and hazardous waste as defined in the Resource Conservation and Recovery Act, as amended.
31. **Natural resource damage** means injury to, destruction of, or loss of value of, fish, wildlife, biota, land, 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 of America (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, or foreign government, or any Native American Tribe, or, if such resources are subject to a trust restriction on alienation, any members of any Native American Tribe, including the reasonable costs of assessing such injury, destruction or **loss** resulting therefrom.
32. **Our affiliate** means any parent, subsidiary, affiliate, division, related company, holding company, merged company, acquired company, predecessor-in-interest or successor-in-interest of the Company, listed in the Declarations, issuing this Policy.
33. **Policy period** means the period set forth in Item 2 of the Declarations or any shorter period resulting from cancellation of this Policy.
34. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, toxic or hazardous substances, electromagnetic fields, chemicals, **waste**, and **microbial matter**.
35. **Pollution condition** means:
- a. the discharge, dispersal, release, or escape; or
  - b. **illicit abandonment**;
- of any **pollutant** into or upon land or any structure on land, the atmosphere, or any watercourse or body of water, including groundwater, in concentrations or at levels in excess of those naturally present in the environment.
36. **Property damage** means:
- a. physical injury to or destruction of tangible property owned by third parties, including all resulting loss of use and diminution in value of such property;
  - b. loss of use of tangible property owned by third parties that has not been physically injured or destroyed; or



c. **natural resource damage.**

**Property damage** does not include **environmental damage, cleanup costs or emergency expenses.**

Electronic data is not tangible property. As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**37. Responsible insured** means your **executive officers**, managers and supervisors of **your work at job sites**, your corporate risk manager, and your managers and supervisors responsible for environmental affairs, control or compliance.

**38. Restoration costs** mean reasonable and necessary costs, charges and expenses, incurred with our prior written consent which shall not be unreasonably withheld or delayed, required to restore, repair, replace or rebuild real or personal property to substantially its condition immediately prior to damage that resulted from **cleanup costs.** **Restoration costs**, however, shall not exceed the lesser of: (i) such costs, charges and expenses incurred to restore, repair, replace or rebuild the property, or (ii) the actual cash value of the property, immediately prior to incurring **cleanup costs.**

**Restoration costs** do not include costs, charges or expenses for improvements or betterments.

**39. Suit** means a civil proceeding in which damages because of **bodily injury, property damage or environmental damage** to which this insurance applies are alleged.

**Suit** includes an arbitration proceeding or any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured must submit or does submit with our written consent.

**40. Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

**41. Transportation** means the movement by **conveyance** by the insured, or on behalf of the insured by a properly licensed third-party carrier, of goods, products or **wastes**, and includes any **loading or unloading** of such goods, products or **waste.** **Transportation** also includes the delivery of a liquid product or **waste** into the wrong receptacle, or to the wrong address, or the mistaken delivery of one liquid product or **waste** for another.

**42. Volunteer worker** means a person who is not your **employee**, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**43. Waste** means materials to be disposed, recycled, reconditioned or reclaimed. **Waste** includes medical, infectious and pathological waste, and radioactive waste but only if it qualifies as **low-level radioactive waste or mixed waste.**

**44. Waste disposal facility** means any **location** where your **waste** is sent for treatment, storage, processing, recycling or disposal, provided the **location** is not and never was

owned, operated or leased by you or your parent, subsidiary or affiliate, and provided such **location**:

- a. is listed in a Schedule of Waste Disposal Facilities endorsement attached to this Policy; or
- b. as of the date any **waste** or materials are delivered by you or on your behalf, meets all of the following criteria:
  - (1) It is properly licensed, as applicable, by state, federal, municipal or provincial authority to conduct waste treatment, storage, processing, recycling or disposal; and
  - (2) It is not listed, or proposed to be listed, on the U.S. Environmental Protection Agency's (EPA) Final National Priorities List (NPL), or on the Superfund or Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) database, or any state or provincial equivalent to the federal NPL, Superfund or CERCLIS database.

**45. Your product means:**

- a. Goods or products, other than real property, manufactured, sold, handled, distributed, altered or repaired by you or others trading under your name; or
- b. Containers (other than a **conveyance**), materials, parts or equipment furnished in connection with such goods or products.

**Your product** includes:

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

**46. Your work means:**

- a. (i) Work or operations performed by you or on your behalf for a third party at a **job site**, including **completed operations**;
- (ii) Materials, parts or equipment furnished in connection with (i) above;
- (iii) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use with respect to (i) and (ii) above; and
- (iv) The providing of or failure to provide warning or instructions with respect to (i) and (ii) above;
- b. **Transportation**; and
- c. Your use of a **waste disposal facility**.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MINIMUM EARNED PREMIUM**

This endorsement modifies insurance provided under the following:

**CONTRACTORS POLLUTION LIABILITY INSURANCE POLICY**

Section **VIII. CONDITIONS** is amended and the following added:

### **Policy Premium**

Policy premium means the premium that is calculated as follows:

1. The total annual premium as shown in the Policy Declarations, plus
2. Any premium adjustment by endorsements, plus
3. Any additional premium developed by audit.

### **Cancellation and Minimum Earned Premium**

Notwithstanding anything to the contrary in Section **VIII. CONDITIONS, 4. Cancellation** or any amendment thereto:

1. If you cancel this Policy, the return premium will be 90% of the unearned premium. However, as a minimum earned premium, we will retain no less than 25% of the policy premium.
2. If we cancel the Policy:
  - a. for non-payment of premium, the earned premium will be computed pro rata based on the length of the cancelled policy term; however, as a minimum earned premium, we will retain no less than 25% of the policy premium; or
  - b. for any reason other than non-payment of premium, the earned premium will be computed pro rata based on the length of the cancelled policy term and the minimum earned premium as stated in Paragraph 2. a. above shall not apply.

Any unearned premium will be returned as soon as practicable.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – UNMANNED AIRCRAFT**

This endorsement modifies insurance provided under the following:

CONTRACTORS POLLUTION LIABILITY INSURANCE POLICY

A. Section **III. EXCLUSIONS** is amended by the addition of the following:

This Policy does not apply to any **claim** or **loss** arising out of:

### **Unmanned Aircraft**

The ownership, maintenance, use or entrustment to others of any aircraft that is an **unmanned aircraft**. Use includes operation and **loading or unloading**.

This Paragraph applies even if the **claims** against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the **pollution condition** which caused the **bodily injury, property damage or environmental damage** involved the ownership, maintenance, use or entrustment to others of any **unmanned aircraft**.

B. Section **IX. DEFINITIONS, 7. Conveyance** is deleted and replaced with the following:

**Conveyance** means any **auto**, railcar, train, watercraft or aircraft (other than **unmanned aircraft**), provided the person or entity transporting the goods, products or **waste** is both in the business of and is properly licensed to transport the materials being moved. **Conveyance** does not include pipelines or **unmanned aircraft**.

C. The following definition is added to the **DEFINITIONS** section:

**Unmanned aircraft** means an aircraft that is not:

- a. Designed;
- b. Manufactured; or
- c. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CANCELLATION**

This endorsement modifies insurance provided under the following:

CONTRACTORS POLLUTION LIABILITY INSURANCE POLICY  
CONTRACTORS POLLUTION LIABILITY PLUS INSURANCE POLICY  
EnviroPACE Insurance Policy  
PREMISES ENVIRONMENTAL AND REMEDIATION LIABILITY

The **Cancellation** condition is deleted and replaced with the following:

### **Cancellation**

The **first named insured** may cancel this Policy by delivery thereof to us or our authorized agent, or by mailing to us written notice stating when thereafter the cancellation shall be effective. If the **first named insured** cancels, any unearned premium will be paid to the **first named insured** calculated on the customary short rate basis.

We may cancel this Policy by mailing to the **first named insured** at the address shown in Item 1 of the Declarations written notice of cancellation at least:

- a. 10 days prior to the effective date of cancellation if we cancel for one or more of the following reasons:
  - (1) Non-payment of premium;
  - (2) Fraud or material misrepresentation;
  - (3) Conviction of an insured of a crime arising out of acts increasing the hazard insured against under the policy;
  - (4) Violation of any local fire, health, safety, building or construction regulation or ordinance which increases the hazard insured against under the policy;
  - (5) Any willful or reckless act or omission by an insured increasing the hazard insured against under the policy;
  - (6) Omission or concealment of fact relating to an insurance application, rating, claim or coverage under this policy;
  - (7) Failure or refusal of an insured to:
    - (a) Provide information necessary to confirm exposure or determine the policy premium; or



(b) Comply with underwriting requirements;

(8) A substantial change in the risk covered by the policy;

(9) Loss of reinsurance or substantial decrease in reinsurance;

(10) The cancellation is for all insureds under such policies for a given class of insureds; or

(11) Any reason determined by the insurance commissioner; or

**b.** 30 days prior to the effective date of cancellation if we cancel for any other reason.

If we cancel, any premium refund will be calculated on a pro rata basis.

The time of delivery 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 **first named insured** or by us shall be equivalent to mailing. Proof of mailing such notice shall be sufficient proof of notice.

We will tender any premium refund due upon cancellation to the **first named insured** as soon as practicable after cancellation is effective, but tender of such premium refund is not a condition of cancellation.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CERTIFIED ACTS OF TERRORISM AND OTHER  
ACTS OF TERRORISM EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CONTRACTORS POLLUTION LIABILITY COVERAGE PART  
THIRD PARTY POLLUTION LIABILITY COVERAGE PART  
CLEANUP COSTS – YOUR LOCATION COVERAGE PART  
PREMISES ENVIRONMENTAL AND REMEDIATION LIABILITY (PEARL)  
EnviroPACE Insurance Policy

A. The following exclusion is added:

**TERRORISM AND PUNITIVE DAMAGES**

This Policy does not apply to any “claim” (**claim**) arising, directly or indirectly, out of:

1. A “certified act of terrorism” or an “other act of terrorism”, including any action taken in hindering or defending against an actual or expected incident of a “certified act of terrorism” or an “other act of terrorism”; or
2. Any act of terrorism:
  - a. that involves the use, release or escape of nuclear materials (“nuclear materials”), or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
  - b. that is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
  - c. in which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials;regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage in 1. or 2. above; including
3. Damages (“damages”) arising, directly or indirectly, out of 1. or 2. above that are awarded as punitive damages.

B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss (**loss**) or damage that is otherwise excluded under this Policy.

C. The **DEFINITIONS** section is amended and the following added:

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

“Other act of terrorism” means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a “certified act of terrorism”. Multiple incidents of an “other act of terrorism” which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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

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

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

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

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

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

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

# **CALIFORNIA NOTICE – PREMIUM REFUNDS**

In response to California Assembly Bill 2404, this notice is being provided to make you aware that you may incur a penalty if you cancel your policy prior to the expiration date.

If you cancel the policy prior to the expiration date, the penalty is 10% of any remaining unearned premium, subject to any minimum earned premium endorsement that may be attached to your policy or the policy for which you are applying.

This notice is for information purposes only and does not become a part or condition of the policy.

**NOTICE:**

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEB SITE WWW.INSURANCE.CA.GOV. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE**



**OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**

**8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

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## **IMPORTANT POLICYHOLDER INFORMATION**

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In the event you need to contact someone about this policy for any reason, please contact your agent first.

If you have additional questions or need to report a claim, you may contact the insurance company issuing this policy at the following address, telephone number or email address:

General Counsel  
Colony Insurance Company  
Colony Specialty Insurance Company  
P. O. Box 469011  
San Antonio, Texas 78246

Toll Free: 1-877-474-8808

Electronic reporting: [claimreporting@colonyspecialty.com](mailto:claimreporting@colonyspecialty.com)

When contacting your agent or insurance company, please have your policy number available. This notice is for information only and does not become a part of or condition of this policy.

# POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURER'S LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

PLEASE ALSO BE AWARE THAT YOUR POLICY DOES NOT PROVIDE COVERAGE FOR ACTS OF TERRORISM THAT ARE NOT CERTIFIED BY THE SECRETARY OF THE TREASURY.

### Acceptance or Rejection of Terrorism Insurance Coverage

You must accept or reject this insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, before the effective date of this policy. Your coverage cannot be bound unless our representative has received this form signed by you on behalf of all insureds with all premiums due.

**Coverage acceptance:**

I hereby elect to purchase coverage for certified acts of terrorism, as defined in Section 102(1) of the Act for a Prospective annual premium of 5% of the total policy premium, subject to \$100 minimum. I understand that I will not have coverage for losses arising from any non-certified acts of terrorism.

**OR**

**Coverage rejection:**

I hereby decline to purchase coverage for certified acts of terrorism, as defined in Section 102(1) of the Act. I understand that I will not have coverage for any losses arising from either certified or non-certified acts of terrorism.

Signature On File	COLONY INSURANCE COMPANY
<b>Policyholder/Applicant's Signature- Must be person authorized to sign for all Insureds.</b>	Insurance Company
On File	CSP304888
Print Name	Policy Number
SAN MIGUEL GARBAGE	On File
Named Insured	Submission Number
On File	02013
Date	Producer Number
	UCPM, INC.
	Producer Name
	335 E. GERMANN RD. #340
	Street Address
	GILBERT, AZ 85297
	City, State, Zip

**The producer shown above is the wholesale insurance broker your Insurance agent used to place your insurance coverage with us. Please discuss this Disclosure with your agent before signing.**