



Monterey County

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Agreement No.: A-12833

Upon motion of Supervisor Salinas, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

- a. Approved Amendment No. 2 to the Standard Agreement with Alex S. Hale to continue to provide real estate services, in the amount of \$100,000 for a total amount not to exceed \$200,000, and extend the term to December 31, 2016; and
- b. Authorized the Contracts/Purchasing Officer to execute Amendment No. 2 to the Standard Agreement and up to three (3) future amendments that do not significantly alter the scope of work or change the approved Agreement amount.

PASSED AND ADOPTED on this 16th day of December 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on December 16, 2014.

Dated: December 23, 2014
File Number: 14-1321

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

**AMENDMENT NO. 2
TO STANDARD AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
ALEX S. HALE**

THIS AMENDMENT NO. 2 to the Standard Agreement between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and Alex S. Hale (hereinafter, "CONTRACTOR") is hereby entered into between the County and the CONTRACTOR (collectively, the County and CONTRACTOR are referred to as the "Parties").

WHEREAS, CONTRACTOR entered into a Standard Agreement with County on February 4, 2013 (hereinafter, "Agreement"); and

WHEREAS, Agreement was amended by the Parties on June 24, 2014 (hereinafter, "Amendment No. 1"); and

WHEREAS, the County has a continued need for on call real estate services to assist the RMA-Public Works, Real Property Division staff in areas related to appraising buildings and land, cost estimating, space planning, condition assessments, data base and procedural development, leased and owned real property acquisitions and dispositions, project management, wireless communication consultation, and leased real property extensions and renewals; and

WHEREAS, CONTRACTOR provides responsive real estate services at reasonable rates; and

WHEREAS, the Parties wish to further amend the Agreement to extend the term to December 31, 2016 and to increase the amount by \$100,000 to allow CONTRACTOR to continue to provide services identified in the Agreement and as amended by this Amendment No. 2.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Amend the second sentence of Paragraph 2.01 under Section 2.0, "Payment Provisions", to read as follows:

The total amount payable by County to CONTRACTOR under this Agreement is not to exceed the sum of \$200,000.

2. Amend the first sentence under Paragraph 3.01 of Section 3.0, "Term of Agreement", to read as follows:

The term of this Agreement is from January 28, 2013 to December 31, 2016, unless sooner terminated pursuant to the terms of this Agreement.

Amendment No. 2 to Standard Agreement
Alex S. Hale
Real Estate Services
RMA – Public Works – Facilities
Term: January 28, 2013 to December 31, 2016
Not to Exceed: \$200,000

3. All other terms and conditions of the Agreement remain unchanged and in full force.
4. This Amendment No. 2 shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.

Amendment No. 2 to Standard Agreement
Alex S. Hale
Real Estate Services
RMA – Public Works – Facilities
Term: January 28, 2013 to December 31, 2016
Not to Exceed: \$200,000

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 2 to the Agreement as of the day and year written below:

COUNTY OF MONTEREY

By:

Gina Encallado

11/8/14
Gina Encallado
Deputy Purchasing Agent
County of Monterey
Contracts/Purchasing Officer

CONTRACTOR*

Alex S. Hale

Contractor's Business Name

Date:

By:

Alex S. Hale

(Signature of Chair, President or Vice President)

Its:

ALEX S. HALE - PROPRIETOR

(Print Name and Title)

Date:

11-3-2014

Approved as to Form and Legality
Office of the County Counsel

By:

Cynthia L. Olson

Deputy County Counsel

By:

(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)

Its:

(Print Name and Title)

Date:

11-5-14

Date:

Approved as to Fiscal Provisions

By:

[Signature]
Auditor/Controller

Date:

11-4-14

Approved as to Indemnity and Insurance Provisions

By:

APPROVED AS TO INDEMNITY/
INSURANCE LANGUAGE

Risk Management

By: *Daphne Schumaker*

Date:

11-16-14

*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.

Amendment No. 2 to Standard Agreement

Alex S. Hale

Real Estate Services

RMA – Public Works – Facilities

Term: January 28, 2013 to December 31, 2016

Not to Exceed: \$200,000



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/4/2014

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 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).

PRODUCER MATSEN INSURANCE BROKERS/PHS 110543 P: (866) 467-8730 F: (888) 443-6112 PO BOX 33015 SAN ANTONIO TX 78265		CONTACT NAME: PHONE (A/C, No, Ext): (866) 467-8730 FAX (A/C, No): (888) 443-6112 E-MAIL ADDRESS:	
INSURED ALEX S. HALE 28040 ROBINSON CANYON RD CARMEL CA 93923		INSURER(S) AFFORDING COVERAGE INSURER A: Sentinel Ins Co LTD INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC# 11000	

COVERAGES**CERTIFICATE NUMBER:****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 INSR	SUBR WED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY			57 SBM UZ8741	06/16/2014	06/16/2015	EACH OCCURRENCE
	CLAIMS-MADE ☒ OCCUR						\$1,000,000
	General Liab	X					DAMAGE TO RENTED PREMISES (Ea occurrence)
							\$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						MED EXP (Any one person)
	POLICY ☐ PRO-JECT ☒ LOC						\$10,000
	OTHER:						PERSONAL & ADV INJURY
							\$1,000,000
							GENERAL AGGREGATE
							\$2,000,000
							PRODUCTS - COM/OP AGG
							\$2,000,000
A	AUTOMOBILE LIABILITY			57 SBM UZ8741	06/16/2014	06/16/2015	COMBINED SINGLE LIMIT (Ea accident)
	ANY AUTO						\$1,000,000
	ALL OWNED AUTOS						BODILY INJURY (Per person)
	HIRED AUTOS	X	SCHEDULED AUTOS NON-OWNED AUTOS				\$
							BODILY INJURY (Per accident)
							\$
							PROPERTY DAMAGE (Per accident)
							\$
							\$
	UMBRELLA LIAB						EACH OCCURRENCE
	EXCESS LIAB						\$
							AGGREGATE
							\$
	DED						\$
	RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						OTH-ER
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT
							\$
							E.L. DISEASE - EA EMPLOYEE
							\$
							E.L. DISEASE - POLICY LIMIT
							\$

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

Those usual to the Insured's Operations. The County of Monterey, Its Officers, Agents and Employees are Additional Insured, and Coverage is primary & non-contributory per the Business Liability Coverage Form **SS0008**.

CERTIFICATE HOLDER

County of Monterey
Contracts/Purchasing Division
168 W ALISAL ST FL 3
SALINAS, CA 93901

CANCELLATION

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

BUSINESS LIABILITY COVERAGE FORM

QUICK REFERENCE
BUSINESS LIABILITY COVERAGE FORM
READ YOUR POLICY CAREFULLY

BUSINESS LIABILITY COVERAGE FORM

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BUSINESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section C. - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. - Liability And Medical Expenses Definitions.

A. COVERAGES

1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section D. - Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

- (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (b) The "bodily injury" or "property damage" occurs during the policy period; and

- (c) Prior to the policy period, no insured listed under Paragraph 1. of Section C. - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

- c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section C. - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

BUSINESS LIABILITY COVERAGE FORM

- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. **Incidental Medical Malpractice**

- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:
 - (a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
 - (b) You are not engaged in the business or occupation of providing such services.
- (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. MEDICAL EXPENSES

Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:
- (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

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

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

3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

- a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:
- (1) All expenses we incur.
 - (2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
 - (3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - (4) 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 \$500 a day because of time off from work.
 - (5) All costs taxed against the insured in the "suit".
 - (6) 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 insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the limits of insurance.

BUSINESS LIABILITY COVERAGE FORM

- b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - (2) This insurance applies to such liability assumed by the insured;
 - (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
 - (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - (6) The indemnitee:
 - (a) Agrees in writing to:
 - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
 - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (b) Provides us with written authorization to:
 - (i) Obtain records and other information related to the "suit"; and
 - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B. – Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

b. Contractual Liability

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

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 because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

BUSINESS LIABILITY COVERAGE FORM

(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
- (ii) Such attorneys' 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.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

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

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

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

e. 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 (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) 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".

f. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or scot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

BUSINESS LIABILITY COVERAGE FORM

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or

- released as part of the operations being performed by such insured, contractor or subcontractor;
- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

BUSINESS LIABILITY COVERAGE FORM

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion 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 "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or
- (6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

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- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
 - (a) Body piercing (not including ear piercing);
 - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
 - (c) Similar services;
- (10) Services in the practice of pharmacy; and
- (11) Computer consulting, design or programming services, including web site design.

Paragraphs (4) and (5) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. - Coverages.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section D. - Limits Of Insurance.

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

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

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

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

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

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

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

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

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

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o. Recall Of Products, Work Or Impaired Property

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

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

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

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

- (a) Copyright;
- (b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(c) Title of any literary or artistic work;

- (8) Arising out of an offense committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;
- (b) Designing or determining content of web sites for others; or
- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section G. - Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

- (12) Arising out of:

- (a) An "advertisement" for others on your web site;
- (b) Placing a link to a web site of others on your web site;
- (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or
- (d) Computer code, software or programming used to enable:
 - (i) Your web site; or
 - (ii) The presentation or functionality of an "advertisement" or other content on your web site;

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- (13) Arising out of a violation of any anti-trust law;
- (14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or
- (15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

r. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to the person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. Asbestos

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:

(a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";

(b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

t. Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Damage To Premises Rented To You - Exception For Damage By Fire, Lightning Or Explosion

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section D. - Liability And Medical Expenses Limits Of Insurance.

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2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers' Compensation And Similar Laws**
To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. **Athletics Activities**
To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. **Products-Completed Operations Hazard**
Included with the "products-completed operations hazard".
- g. **Business Liability Exclusions**
Excluded under Business Liability Coverage.

C. WHO 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. Employees And Volunteer Workers

Your "volunteer workers" 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" are insureds for:

- (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
- If you are not in the business of providing professional health care services, Paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.
- (2) "Property damage" to property:
 - (a) Owned, occupied or used by,

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- (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. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

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. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

- b. Coverage under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

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contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional Insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. – Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor 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 that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

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- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In connection with your premises; or
 - (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This Insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

 - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Supervisory, inspection, architectural or engineering activities.

e. Permits Issued By State Or Political Subdivisions

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
 - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In the performance of your ongoing operations;
 - (b) In connection with your premises owned by or rented to you; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
 - (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily Injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

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- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

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.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

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

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to 2.a. or 2.b. above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

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If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

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

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

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This Paragraph f. applies separately to you and any additional insured.

3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

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

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 damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy 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 or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

- (3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. - Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. - Coverages.

BUSINESS LIABILITY COVERAGE FORM

(6) **When You Are Added As An Additional Insured To Other Insurance**

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) **When You Add Others As An Additional Insured To This Insurance**

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) **Primary Insurance When Required By Contract**

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

(b) **Primary And Non-Contributory To Other Insurance When Required By Contract**

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

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

c. **Method Of Sharing**

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

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

8. **Transfer Of Rights Of Recovery Against Others To Us**

a. **Transfer Of Rights Of Recovery**

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. **Waiver Of Rights Of Recovery (Waiver Of Subrogation)**

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

BUSINESS LIABILITY COVERAGE FORM

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- a. In the performance of your ongoing operations; or
- b. In connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

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

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

- b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

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

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision - Permits

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

BUSINESS LIABILITY COVERAGE FORM

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

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

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- b. The insurance afforded to the vendor is subject to the following additional exclusions:

- (1) This insurance does not apply to:
 - (a) "Bodily injury" or "property damage" for which the vendor 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 that the vendor would have in the absence of the contract or agreement;
 - (b) Any express warranty unauthorized by you;
 - (c) Any physical or chemical change in the product made intentionally by the vendor;
 - (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

BUSINESS LIABILITY COVERAGE FORM

This Insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In the performance of your ongoing operations for the additional insured(s); or
- (2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- (1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

- b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

- c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

- a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
- b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

BUSINESS LIABILITY COVERAGE FORM

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising Injury" offenses that take place through the Internet or similar electronic means of communication
- provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.
7. "Electronic data" means Information, facts or programs:
- a. Stored as or on;
 - b. Created or used on; or
 - c. 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.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
12. "Insured contract" means:
- a. 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, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section D. - Liability and Medical Expenses Limits of Insurance.
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement; or
 - f. 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" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- However, Paragraph f. does not include that part of any contract or agreement:

BUSINESS LIABILITY COVERAGE FORM

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (2) 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 (1) above and supervisory, inspection, architectural or engineering activities.
13. "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".
14. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;

BUSINESS LIABILITY COVERAGE FORM

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral, written or electronic publication of material that violates a person's right of privacy;
 - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";
 - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or
 - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.
18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
19. "Products-completed operations hazard";
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
 - (a) When all of the 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 work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

20. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.

As used in this definition, "electronic data" is not tangible property.

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

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

22. "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.

23. "Volunteer worker" means a person who:

- a. Is not your "employee";

BUSINESS LIABILITY COVERAGE FORM

- b. Donates his or her work;
 - c. Acts at the direction of and within the scope of duties determined by you; and
 - d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
24. "Your product":
- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.
25. "Your work":
- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2) The providing of or failure to provide warnings or instructions.



General Star National Insurance Company
P O Box 10360 (Attn: GSN)
Stamford, Connecticut 06904

REAL ESTATE APPRAISERS ERRORS & OMISSIONS INSURANCE POLICY
DECLARATIONS PAGE

This is a claims made and reported policy. Please read this policy and all endorsements and attachments carefully.

Policy Number: NJA306388

Renewal of Number:

1. **NAMED INSURED:** Alex S. Hale
STREET ADDRESS:

28040 Robinson Canyon Road
Carmel, CA 93923

2. **POLICY PERIOD:** Inception Date: 08/05/2014 Expiration Date: 08/05/2015
Effective 12:01 a.m. Standard Time at the address of the Named Insured.

3. **LIMITS OF LIABILITY:**

Each Claim: \$1,000,000

Aggregate: \$1,000,000

Claim Expenses have a separate Limit of Liability:

Each Claim: \$1,000,000

Aggregate: \$1,000,000

4. **DEDUCTIBLE:** Each Claim: \$0 Aggregate: \$0

5. **RETROACTIVE DATE:** 08/05/2009

If a date is indicated, this policy will not provide coverage for any **Claim** arising out of any act, error, omission or personal injury which occurred before such date.

6. **ANNUAL PREMIUM:** \$697.00

TOTAL Premium and Taxes/Surcharge : \$697.00

7. **ENDORSEMENTS:**

This policy is made and accepted subject to the printed policy form together with the following form(s) or endorsement(s).

AP 00 0001 (06/11), AP 04 0001 (06/11), AP 21 0002 (06/11), AP 27 0004 (06/11), AP 01 0004CA (06/11),
AP 20 0001 (06/11), AP 08 0005CA (06/2011),

8. **PRODUCER NAME:** Mercer Consumer
STREET ADDRESS: P. O. Box 8146
Des Moines, IA 50306-8146

Authorized Representative

Producer Code: 26460

Class Code: 73128

Date: 06/12/2014

AP 10 0001 06 11

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Page 1 of 1

General Star National Insurance Company
P O Box 10360 (Attn: GSN)
STAMFORD, CONNECTICUT 06904
(A stock insurance Company, herein called the Company)

NOTICE

THIS IS A CLAIMS MADE AND REPORTED FORM
REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY

THIS REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS. THE COVERAGE PROVIDED BY THIS POLICY IS LIMITED TO ONLY THOSE **CLAIMS** THAT ARISE FROM **PROFESSIONAL SERVICES** RENDERED ON OR AFTER THE RETROACTIVE DATE STATED IN THE DECLARATIONS PAGE AND BEFORE THE END OF THE **POLICY PERIOD**, WHICH ARE FIRST MADE AGAINST THE **NAMED INSURED** DURING THE **POLICY PERIOD** AND FIRST REPORTED IN WRITING TO THE COMPANY DURING THE **POLICY PERIOD** OR APPLICABLE EXTENDED REPORTING PERIOD.

PLEASE REVIEW THE POLICY CAREFULLY. THIS POLICY CONTAINS IMPORTANT EXCLUSIONS AND CONDITIONS. ALL WORDS OR PHRASES (OTHER THAN CAPTIONS) THAT ARE PRINTED IN BOLD FACE ARE DEFINED IN THE POLICY. PLEASE DISCUSS ANY QUESTIONS CONCERNING THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

WHAT TO DO IN CASE OF A CLAIM

In the event you directly or indirectly become involved in a professional liability **claim**, you should immediately report the details in writing to:

General Star Management Company
Professional Liability Claims
P.O. Box 1255
Stamford, CT 06904
Fax: 866-914-3151
E-Mail: GStarClaims@generalstar.com

Note: Failure to promptly report a **claim** could jeopardize your coverage.

IMPORTANT

This Policy is not effective unless a Declarations Page is issued.

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REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY

THIS IS A CLAIMS-MADE AND REPORTED POLICY. PLEASE REVIEW THE POLICY CAREFULLY.

General Star National Insurance Company, hereinafter called the Company, agrees with the Named Insured, in consideration of the payment of the premium, and in reliance upon the statements on the applications and the Declarations Page and subject to the Limits of Liability, exclusions, conditions and other terms of this Policy, as follows:

SECTION I – COVERAGE

The Company will pay on behalf of the **Named Insured** all sums which the **Named Insured** shall become legally obligated to pay as **Damages** for **Claims** first made against the **Named Insured** during the **Policy Period** and first reported to the Company in writing during the **Policy Period** or applicable Extended Reporting Period, arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** by the **Named Insured**; provided always that such act, error, omission or **Personal Injury** happens:

- A. During the **Policy Period**; or
- B. Prior to the **Policy Period** provided that:
 - 1. Such act, error, omission or **Personal Injury** took place on or after the Retroactive Date as indicated on the Declarations Page of this Policy; and
 - 2. At the Inception Date of this Policy no **Named Insured** had knowledge of any act or circumstance that may reasonably be anticipated to give rise to a **Claim** against the **Named Insured**.

The Company shall have the right and duty to defend any **Suit** against the **Named Insured** seeking **Damages** to which this insurance applies even if any of the allegations of the **Suit** are groundless, false or fraudulent.

However, the Company shall have no duty to defend the **Named Insured** against any **Suit** seeking **Damages** to which this insurance does not apply.

For covered **Claims**, the Company, at its option, shall select and assign defense counsel; however, the **Named Insured** may engage additional counsel, solely at their own expense, to associate in the defense of any covered **Claim**. The Company reserves the right to recoup and seek reimbursement for any and all costs and expenses incurred in providing a defense for a **Claim**, or that portion of a **Claim**, that is subsequently determined by a court of law not to be covered. The **Named Insured** shall not assume any obligations, incur any costs, charges, or expenses or enter into any settlement without the Company's consent.

The Company shall also have the right to investigate any **Claim** and negotiate the settlement, as it deems expedient, but the Company shall not commit the **Named Insured** to any settlement without such **Named Insured's** consent. If the **Named Insured** refuses to consent to any settlement recommended by the Company, and elects to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, then the Company shall be relieved of any further duty to defend the **Claim**. The liability of the Company for **Damages** and **Claims Expenses** shall not exceed the amount for which the **Claim** could have been settled.

SECTION II – LIMITS AND DEDUCTIBLE

Regardless the number of **Claims** made, the Company's liability is limited as follows:

- A. Limits of Liability:
 - 1. The Company's maximum liability for all **Damages** resulting from a **Claim** covered under this Policy is the Limit of Liability Each **Claim** as stated in Item 3. on the Declarations Page. There shall be a

- separate Limit of Liability Each **Claim** applicable to **Claims Expenses** for any such **Claim** equal to the Limit of Liability Each **Claim** as stated in Item 3. on the Declarations Page; and
- 2. The Company's maximum liability for all **Damages** resulting from all **Claims** covered under this Policy is the Limit of Liability Aggregate stated in Item 3. on the

Declarations Page. There shall be a separate Limit of Liability Aggregate applicable to all **Claims Expenses** for all such **Claims** equal to the Limit of Liability Aggregate as stated in Item 3. on the Declarations Page.

- B. For the purposes of coverage under this Policy, all acts, errors or omissions or **Personal Injuries** that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision, regardless of the number of **Claims** or claimants, will be considered to be one act, error or omission or **Personal Injury** and will be deemed to have taken place at the time the first of these related acts, errors or omissions or **Personal Injuries** took place. All **Claims** based upon such logically or causally connected acts, errors or omissions or **Personal Injuries** shall be deemed to constitute a single **Claim**, shall be subject to a single Deductible and Each **Claim** Limit of Liability, and shall be deemed to have been first made on the date on which the first of all such logically or causally connected **Claims** was made.
- C. The Company's liability for **Damages** and **Claims Expenses**, resulting from each **Claim** is in excess of the Deductible amount stated on the Declarations Page. The Deductible amount applies to **Claim Expenses** and **Damages** and the Deductible amount applies once per each **Claim**.
- D. In the event the **Named Insured** participates in an **Alternative Dispute Resolution** to settle a **Claim**, the Company will waive 50% of the **Named Insured's** Deductible obligation. The maximum amount of this waiver shall not exceed

\$25,000 per **Claim**. If the **Alternative Dispute Resolution** fails to resolve the **Claim**, and the **Claim** proceeds to litigation, the Deductible will apply without the 50% waiver to any **Damages** and **Claims Expenses** incurred once the litigation has commenced.

- E. If any **Claim** reported under this Policy is also covered by one or more primary insurance policies or certificates of insurance issued by the Company, or by any affiliate or successor of the Company, to the **Named Insured**, or to any person who controls, is controlled by or affiliated by common control with the **Named Insured**, then with respect to such **Claim**:
1. The Company shall not be liable under this Policy for a greater proportion of the loss than the applicable Limits of Liability under this Policy bears to the total limits of liability of all such policies; and
 2. The maximum amount payable under all such policies shall not exceed the limit of liability of that policy which has the highest limit of liability.
- F. The Limits of Liability of this insurance Policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **Policy Period** shown in the Declarations Page, unless the **Policy Period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability. The purchase or application of any Extended Reporting Period shall not increase the Limits of Liability stated in Item 3. on the Declarations Page.

SECTION III – TERRITORY

The insurance afforded by this Policy applies to acts, errors, omissions or **Personal Injury** taking place anywhere in the world. However, **Claims** must be

made and maintained and **Suits**, if any, must be brought and maintained within the United States of America, its territories, possessions or Canada.

SECTION IV – DUTIES, ASSISTANCE AND COOPERATION OF NAMED INSURED

- A. **Duties in the Event of an Act or Circumstance**
If, during the **Policy Period** or applicable Extended Reporting Period, the **Named Insured** becomes aware of any act or circumstance, which took place during the **Policy Period**, that may reasonably be anticipated to give rise to a **Claim**, the **Named Insured** must notify the

Company in writing as soon as practicable, but in no event after the end of the **Policy Period** or applicable Extended Reporting Period. Any **Claim** that subsequently arises out of such act or circumstance shall be considered to be a **Claim** made and reported during the **Policy Period** or Extended Reporting Period in which such written notice was received by the

Company. Notice shall include all demand letters and the fullest information obtainable surrounding the act or circumstance.

Immediately upon the **Named Insured** becoming aware of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** that could reasonably be expected to be the basis of a **Claim**, written notice shall be given by the **Named Insured**, or its representatives, to the Company, together with the fullest information obtainable.

B. Duties In the Event of a Claim

If, during the **Policy Period** or any applicable Extended Reporting Period, a **Claim** is brought against the **Named Insured** arising out of any act, error, omission or **Personal Injury** to which this insurance applies:

1. The **Named Insured** must:
 - a. Immediately record the specifics of the **Claim** and the date received;
 - b. Provide the Company with written notice of the **Claim** as soon as practicable, but in no event after the end of the **Policy Period** or any applicable Extended Reporting Period;
 - c. Immediately send the Company copies of any demand letters, pleadings, notices, summonses, or other legal papers received in connection with the **Claim**; and
2. The **Named Insured** must cooperate with

the Company in the investigation, defense or settlement of the **Claim** including:

- a. Upon request, submit to examination and interrogation under oath by our representative;
 - b. Attend hearings, depositions and trials as requested by the Company;
 - c. Assist in securing and giving evidence and obtaining the attendance of witnesses; and
 - d. Provide written statements to our representative and attend meetings with such representative for the purpose of investigation and/or defense, all without charge to the Company.
- C. The **Named Insured** shall not, except at his or her own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent. The **Named Insured** may provide for **Alternative Dispute Resolution** with a client under an engagement letter or any other written contract as long as such agreement is executed in writing prior to any **Claim** or awareness of an act or circumstance that may reasonably be anticipated to give rise to a **Claim** by such client.
- D. The **Named Insured** consents to the submission of special verdict forms or other written inquiries to the trier of fact for the purpose of determining the basis for the **Named Insured's** liability and any **Damages** awarded if **Suit** or any other proceeding is brought on the **Claim**.

SECTION V – SUPPLEMENTARY PAYMENTS

A. The Company will pay, in addition to the applicable Limits of Liability stated in Item 3. on the Declarations Page:

1. Up to \$250 for loss of earnings to the **Named Insured** for each day or part of a day of such **Named Insured's** attendance at the Company's request at a trial, hearing or arbitration proceeding involving a **Claim** against the **Named Insured** for covered **Damages**; provided further that the maximum aggregate amount so payable for any one or series of trials, hearings or arbitration proceedings shall in no event exceed \$5,000;
2. Up to \$2,500 to the **Named Insured** for attorney fees, and other costs, expenses or fees resulting from the investigation or defense of a proceeding before a state licensing board, local real estate board or governmental regulatory body incurred as

the result of a notice of a proceeding, excluding commission disputes, first received by the **Named Insured** and reported to the Company during the **Policy Period**, arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** by the **Named Insured** covered under this Policy; provided further that \$2,500 is the maximum aggregate amount payable to the **Named Insured** regardless of the number of proceedings; and

3. Up to \$2,500 to the **Named Insured** for attorneys fees and other costs, expenses or fees resulting from a subpoena to the **Named Insured** for documents or testimony, provided such subpoena is first received by the **Named Insured** and reported to the Company during the **Policy**

Period, arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** by the **Named Insured** covered under this Policy and further provided that:

- a. The subpoena arises out of a **Suit** to which the **Named Insured** is not a party; and
- b. The **Named Insured** has not been engaged to provide advice, expert witness or testimony in connection with the **Suit**, nor has the **Named Insured** been engaged to provide such advice, expert witness or testimony in the past.

\$2,500 is the maximum aggregate amount payable to the **Named Insured** regardless of the number of subpoenas.

- B. The Company will pay, as part of the applicable Limits of Liability stated in Item 3. on the Declarations Page, up to \$100,000 to the **Named Insured** for **Damages** and/or **Claims**

Expenses as a result of all **Claims** reported to the Company during the **Policy Period** upon which **Suit** may be brought against the **Named Insured** for discrimination on the basis of age, sex, race, color, religion, disability, marital status, pregnancy, national origin, HIV or AIDS status, sexual origin, sexual orientation, or sexual preference, including resulting **Personal Injury**.

This sub-limit shall be part of, and not in addition to, the Limits of Liability stated on the Declarations Page and is subject to the remaining amount, if any, of such Limits of Liability of this Policy. The Company shall not be obligated to pay any **Claims Expenses** or **Damages**, or to defend any **Suit**, after the applicable \$100,000 sub-limit of the Company's liability has been exhausted. \$100,000 is the maximum aggregate amount payable by the Company regardless of the number of **Claims** made for discrimination covered by this Policy.

SECTION VI – EXCLUSIONS

The Company has no obligation under this Policy to pay **Damages** or **Claims Expenses**, or to provide a defense, in connection with any **Claim** if based upon or arising out of:

- A. A dishonest, fraudulent, criminal or malicious act or omission, or intentional misrepresentation, (including, but not limited to, actual or alleged violations of state or federal anti-trust, price-fixing, restraint of trade or deceptive trade practice laws, rules or regulations) committed by, at the direction of, or with the knowledge of the **Named Insured**;
- B. The insolvency or bankruptcy of the **Named Insured**;
- C. Any disputes involving the **Named Insured's** fees, commissions or charges, the failure to pay or collect premium, escrow or tax money, or the conversion, misappropriation, commingling or defalcation of funds or other property;
- D. The rendering of or failure to render **Professional Services** by the **Named Insured** as employee, owner, partner, stockholder, director or officer of any sole proprietorship, partnership, **Limited Liability Partnership/Corporation**, corporation or other business enterprise not listed on the Declarations Page;

- E. Any actual or alleged:
 1. **Bodily Injury**; or
 2. **Property Damage**.

- F. Any obligations for which the **Named Insured** or any insurer may be liable under any workers' compensation, unemployment compensation, disability, retirement plan, pension or pension benefits law, or any similar laws, including but not limited to, the Employee Retirement Income Security Act of 1974 (commonly known as ERISA), or any of its amendments, or any other similar state or local law, or any non-qualified plan, while the **Named Insured** is acting as a fiduciary within the meaning of such laws;
- G. Any actual or alleged violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any state "blue sky" or securities law, or any similar state or federal statutes, including any **Claim** based upon common law principles of liability if made in connection with an actual or alleged violation of any such statute or regulation;
- H. Any appraisal services or the representation of clients in any securities transaction (either registered or exempt) including but not limited to bond or other debt offerings, public stock offerings, property syndication or real estate investment trusts;

- service mark or service name;
- I. The sale or purchase of insurance, or the failure to effect or maintain adequate levels or types of insurance;
 - J. Any liability assumed by the **Named Insured** under any oral or written contract or agreement, including any warranty, except that this exclusion shall not apply to liability the **Named Insured** would have in the absence of such contract, agreement or warranty;
 - K. Any activities of the **Named Insured** as a mortgage banker, mortgage counselor, home inspector, mortgage broker, business broker, independent third party escrow agent, contractor, construction advisor, property developer, insurance agent, insurance broker, real estate agent, real estate broker, buyers broker, real estate consultant, real estate counselor or property manager;
 - L. The actual or attempted purchase of property by the **Named Insured**;
 - M. The actual or attempted appraisal of property by the **Named Insured** if at the time of the act, error, omission or **Personal Injury** giving rise to such claim:
 - 1. The **Named Insured** in any part owned such property;
 - 2. The **Named Insured** was the developer, builder, real estate broker or salesperson of such property;
 - 3. Such appraisal services were in exchange for stock, partial ownership or investment in such property; or
 - 4. The **Named Insured** was employed or subcontracted by a real estate broker or salesperson who was a party to any transaction involving the appraised property;
 - N. The actual or attempted purchase of property by, or appraisal of property developed, constructed or owned by:
 - 1. Any entity in which the **Named Insured** has a financial interest;
 - 2. Any entity which has a financial interest in the **Named Insured**; or
 - 3. Any entity which is under the same financial control as the **Named Insured**, provided that such financial interest existed at the time of the act, error, omission or **Personal Injury** giving rise to the **Claim**;
 - O. The infringement of any copyright, title, slogan, patent, trademark, trade name, trade dress,
 - P. Any guarantee or promise of future status, performance or valuation in the course of performing **Professional Services** by the **Named Insured**;
 - Q. The alleged notarized certification or acknowledgement by the **Named Insured** of a signature on any document that the **Named Insured** did not witness being placed on the document;
 - R. Any activities of the **Named Insured** involving:
 - 1. The inspection, evaluation or testing of, or the failure to inspect, evaluate or test for, any items listed in 4. a. through d. below;
 - 2. The failure to discover or disclose any items listed in items 4. a. through d. below;
 - 3. The actual, alleged or threatened inhalation of, ingestion or, contact with, exposure to, existence of, or presence of, any of the listed items in 4. a. through d. below on or within a building or structure, including its contents; or
 - 4. The clean up, remediation, containment, removal or abatement of any items listed in a. through d. below:
 - a. Any **Fungus(i)**, **Mold(s)**, mildew or yeast;
 - b. Any **Spore(s)** or toxins created or produced by or emanating from such **Fungus(i)**, **Mold(s)**, mildew, or yeast;
 - c. Any substance, vapor, gas or other emission of any organic or inorganic body or substance produced by or arising out of any **Fungus(i)**, **Mold(s)**, mildew, or yeast; and
 - d. Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure that contains, harbors, nurtures or acts as a medium for any **Fungus(i)**, **Mold(s)**, mildew, yeast, or **Spore(s)** or toxins emanating therefrom, regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence.
 - S. Pollution or **Pollutants**, including:
 - 1. **Bodily Injury or Property Damage** which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time.
 - 2. Any loss, cost or expense arising out of any:

- a. Request, demand, order or statutory or regulatory requirement that the **Named Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants**; or
- b. **Claim** by or on behalf of a governmental authority for **Damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **Pollutants**;
- T. The gaining in fact of any personal profit or advantage to which the **Named Insured** is not legally entitled, including misappropriation, conversion, embezzlement, commingling or defalcation of funds or other property;
- U. **Bodily Injury, Personal Injury, or Property Damage** from the installation, removal, disposal, handling, use or existence of, exposure to, contact with, or the ingestion of lead paint or any other substance or matter containing lead paint or the residue of lead paint;
- V. Discrimination of any kind by the **Named Insured**, including but not limited to discrimination due to or on the basis of age, sex, race, color, religion, disability, marital status, pregnancy, national origin, HIV or AIDS status, sexual origin, sexual orientation, or sexual preference; provided, however, this exclusion does not apply to any coverage afforded by **SECTION V – SUPPLEMENTARY PAYMENTS**, paragraph B.;
- W. The **Named Insured's** unauthorized use of confidential, privileged or non-public material or information for any purpose whatsoever;
- X. **Professional Services** rendered by any person or entity other than the **Named Insured**;
- Y. **Professional Services** rendered by the **Named Insured** if such claim was based on or arising out of such **Named Insured's** supervision, subcontracting, assignment or referral of any portion of any contract, project or engagement.

SECTION VII – DEFINITIONS

When used in this Policy (including endorsements forming a part of the Policy):

- A. **Alternative Dispute Resolution** means the use of mediation or non-binding arbitration proceedings in which the **Named Insured** participates with the consent of the Company.
- B. **Bodily Injury** means bodily harm, sickness, disease, emotional distress or death of any person.
- C. **Claim** means a demand for money, receipt of a request to provide a recorded statement, the filing of **Suit** or the institution of arbitration or mediation proceedings naming the **Named Insured**, claiming **Damages** and alleging an act, error, omission or **Personal Injury** resulting from the rendering of or failure to render **Professional Services**. **Claim** does not include proceedings seeking injunctive or other non-pecuniary relief, or administrative proceedings before any national, state, regional or local board of real estate agents, or any committee or sub-committee, except as provided in **SECTION V – SUPPLEMENTARY PAYMENTS**, paragraph A.2.
- D. **Claims Expenses** means:
 - 1. **Fees charged** by an attorney(s) designated by the Company and all other fees, costs, and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, if incurred by the Company, or by the **Named Insured** with written consent of the Company, but does not include salary charges or expenses of regular employees or officials of the Company, or fees and expenses of independent adjusters;
 - 2. All costs taxed against the **Named Insured** in such **Claim**, and all interest on the entire amount of any judgment which accrues after entry of the judgment and before the Company has paid, tendered or deposited, whether in court or otherwise, the part of the judgment which does not exceed the Company's Limits of Liability;
 - 3. Prejudgment interest, which when payable under this Policy, is made a part of and is subject to the separate Limit of Liability - Each **Claim** applicable to **Claims Expenses**; or
 - 4. Premiums on appeal bonds and premiums on bonds to release attachments in such **Claims**, but not premiums for bond amounts in excess of the applicable Limits of Liability of this Policy. Notwithstanding the

foregoing, the Company shall have no obligation to pay for or furnish any bond.

- E. **Damages** means compensatory judgments, settlements or awards, but does not include punitive or exemplary damages, fines or penalties, sanctions, the return of fees or other consideration paid to the **Named Insured**, or that portion of any award or judgment caused by the trebling or multiplication of actual damages under federal or state law. **Damages** also does not include **Claims Expenses**.

However, if a **Claim** is brought against the **Named Insured** with respect to alleged acts, errors or omissions falling within the scope of coverage afforded by this Policy, and such **Claim** seeks both compensatory and punitive or exemplary **Damages**, then the Company will afford a defense to such action without liability for payment of such punitive or exemplary **Damages**.

- F. **Fungus(i)** means any type or form of fungus, and including **Mold** or mildew and any mycotoxins, **Spores**, scents, byproducts produced or released by fungi, smuts, rust, or mushrooms.
- G. **Limited Liability Partnership/Corporation** means a type of business organization, governed by State law, that protects a partner or member from personal liability for acts committed by other partners, members or employees not under his/her direct control.
- H. **Mold(s)** means any superficial growth produced on damp or decaying organic matter or on living organisms, and **Fungi** that produce **Mold**.
- I. **Named Insured** means the person named in Item 1. of the Declarations Page.
- J. **Personal Injury** means:
1. False arrest, detention or imprisonment, wrongful entry or eviction, other invasion of private occupancy, or malicious prosecution; or

2. The publication or utterance of a libel, slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.

- K. **Policy Period** means the time period from the Inception Date to the Expiration Date as set forth on the Declarations Page, or its earlier termination date, if any.
- L. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. **Professional Services** means services performed by the **Named Insured** in the **Named Insured's** capacity as an appraiser of real estate as long as the **Named Insured** is properly licensed or certified at the time of the act, error or omission giving rise to the **Claim** and as long as such service is rendered for, on or behalf of the customer or client in return for a fee, commission, or other compensation. It includes incidental services rendered by the **Named Insured** as a notary public, or as a member of a formal accreditation committee, standards review committee or similar board or committee. **Professional Services** does not include the supervision of, subcontracting to, assignment to or referral of any portion of any contract, project or engagement by the **Named Insured**.
- N. **Property Damage** means physical injury to, destruction of or loss of use of tangible property.
- O. **Spores** means any dormant or reproductive body produced by or arising or emanating out of any **Fungus(i)**, **Mold(s)**, mildew, plants or organisms or microorganisms.
- P. **Suit** means a civil adjudicatory proceeding in a court of law.

SECTION VIII – EXTENDED REPORTING PERIODS

- A. **Automatic Extended Reporting Period:**
In case of cancellation or non-renewal of this Policy by the **Named Insured** or the Company, for any reason except as noted in **SECTION VIII – EXTENDED REPORTING PERIOD**, paragraph D., an automatic sixty (60) day extended reporting period, effective at the termination of the **Policy Period** will be provided

by the Company at no additional cost. This Automatic Extended Reporting Period shall extend the time in which the **Named Insured** can give written notice to the Company of **Claims** first made against the **Named Insured** during the **Policy Period** for any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services**

taking place on or after the Retroactive Date stated on the Declarations Page and before the end of the **Policy Period**, subject to terms, limitations, exclusions and conditions of this Policy.

B. Optional Extended Reporting Period

1. In the event that:

- a. The **Named Insured** or the Company cancels or nonrenews this Policy; or
- b. The Company renews this Policy with a Retroactive Date that is more recent in time than the Retroactive Date provided in this Policy;

the **Named Insured** shall have the right to an extension of coverage, known as the Optional Extended Reporting Period, for the time periods and at the premiums set forth below, for **Claims** first made against the **Named Insured** and first reported in writing to the Company during the Optional Extended Reporting Period for any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** taking place on or after the Retroactive Date state on the Declarations Page or before the end of the **Policy Period**. Except as otherwise set forth in this Section, all terms, conditions and exclusions of this Policy shall apply to **Claims** first made and reported to the Company during the Optional Extended Reporting Period. The right to purchase the Optional Extended Reporting Period shall terminate unless written notice of the **Named Insured's** election together with the full premium is received by the Company or its authorized agent within sixty (60) days of the end or termination of the **Policy Period**. The Optional Extended Reporting Period may not be renewed upon its expiration.

2. The Optional Extended Reporting Period is available for the following time periods and premiums:
 - a. Twelve (12) months for an additional 100% of the full annual premium;
 - b. Twenty-four (24) months for an additional 135% of the full annual premium; or
 - c. Thirty-six (36) months for an additional 150% of the full annual premium.

C. Death, Disability or Retirement Reporting Period

In the event the **Named Insured** dies or becomes permanently and totally disabled during the **Policy Period**, an Unlimited

Extended Reporting Period will be granted at no additional premium, provided that:

1. Within sixty (60) days of the death or permanent and total disability the **Named Insured's** estate requests the Unlimited Extended Reporting Period; and
2. The **Named Insured's** estate furnishes written evidence and proof of the date of the **Named Insured's** death; or
3. The **Named Insured** provides evidence and proof of the permanent and total disability including the date of the actual disability and written certification by the **Named Insured's** attending physician; and
4. The **Named Insured** agrees to submit to any medical examination(s) as requested by the Company, by any physician designated by the Company for the purpose of verifying such permanent and total disability.

If after reaching age 65, and having been continuously insured by the Company on a claims-made basis for a minimum of 5 years the **Named Insured** retires during the **Policy Period**, an Unlimited Extended Reporting Period will be granted at no additional premium provided that the **Named Insured** within sixty (60) days of the retirement requests the Unlimited Extended Reporting Period;

D. Applicability of Extended Reporting Periods

None of the Extended Reporting Periods shall apply if the Policy is rescinded, cancelled or nonrenewed for any of the following reasons:

1. Cancellation by the Company for non-payment of premium;
2. Failure to comply with policy provisions;
3. Non-payment of a deductible;
4. Failure to cooperate with the Company; or
5. Fraud, concealment or material misrepresentation of facts in any Application for this Policy or any renewal policy for this insurance.

E. Retiree Extended Reporting Period Option

The **Named Insured** shall, for an additional premium of 160% of the full annual premium for this Policy, have the right to a Retiree Extended Reporting Period for an unlimited period following the effective date of cancellation or non-renewal. The Terms of this Retiree Extended Reporting Period shall be governed by **SECTION VIII – EXTENDED REPORTING PERIOD**, paragraph **B. Optional Extended Reporting Period**. This right shall terminate, however, unless written notice of election together with the additional premium is received by the Company or its authorized agent from the **Named Insured** within sixty (60) days after the

effective date of cancellation or non-renewal.

F. Termination of Any Extended Reporting Period Option

Once in effect, the Optional Extended Reporting Period and Retiree Extended Reporting Period may not be canceled. At the commencement of any Extended Reporting Period, the entire premium shall be deemed earned and the Company shall not be liable to return to the **Named Insured** any portion of the premium for any Extended Reporting Period.

G. Miscellaneous

None of the Extended Reporting Periods shall have a separate limit in addition to the Limits of Liability stated in Item 3. on the Declarations Page of this Policy. The limit available for any applicable Extended Reporting Period shall be

the remaining amount, if any, of the Limits of Liability of this Policy at the end of the **Policy Period**. No limit shall be reinstated if the Limit of Liability Aggregate stated in Item 3. on the Declarations Page is exhausted by payment of **Damages** or **Claims Expenses**, as applicable.

Furthermore, the Automatic Extended Reporting Period does not extend the time in which to exercise the right to purchase the Optional Extended Reporting Period or the Retiree Extended Reporting Period. The first sixty (60) days of the Optional Extended Reporting Period or the Retiree Extended Reporting Period, if purchased, shall run concurrently with the Automatic Extended Reporting Period. The Deductible Amount shown in Item 6. on the Declarations Page shall apply to any Extended Reporting Period provided by this Policy.

SECTION IX – GENERAL CONDITIONS

A. Premium

All premiums for this Policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to this insurance. The **Named Insured** shall maintain records of the information necessary for premium computation and shall send copies of such records to the Company at such times as the Company may direct.

B. Assignment

This Policy may not be assigned without first obtaining the written consent of the Company. The **Named Insured's** rights under this Policy are not assignable. If the **Named Insured** shall die or be adjudged incompetent, this insurance shall terminate for such person, but shall cover the **Named Insured's** legal representative with respect to liability previously incurred and covered by this insurance.

C. Legal Action Against The Company

No action shall lie against the Company unless there shall have been full compliance with all of the terms of this Policy, nor until the amount of the **Named Insured's** obligation to pay shall have been finally determined, either by judgment against the **Named Insured** or by written settlement agreement between the **Named Insured** and the claimant, entered into with the written consent of the Company.

Any person or organization or the legal representative thereof who has secured a judgment or written settlement agreement shall thereafter be entitled to recover under this Policy

to the extent of the insurance afforded by this Policy. A written settlement agreement means a settlement and release of liability signed by the **Named Insured** and the claimant with the written consent of the Company. No person or organization shall have any right under this Policy to join the Company as a party to any action against the **Named Insured** to determine the **Named Insured's** liability, nor shall the Company be impleaded by the **Named Insured** or his legal representative.

The Company will not be liable for **Damages** that are not payable under the terms of this Policy or that are in excess of the applicable Limits of Liability.

D. Conformity to Statute

In the event that any terms, conditions or exclusions of this Policy conflict with any law applicable to the coverage afforded hereunder, the terms of this contract shall, by this statement, be amended to conform to such law or laws.

E. Other Insurance And Method Of Sharing

If other valid and collectable insurance is available to the **Named Insured** for a **Claim** covered under this Policy, the Company's obligations are limited as follows:

1. If all of the other insurance permits contribution by equal shares, the Company will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first;

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

F. Subrogation

To the extent of any payment under this Policy, the Company shall be subrogated to all the **Named Insured's** rights of recovery against any person, organization or entity, and the **Named Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Named Insured** shall do nothing after any loss to prejudice such rights.

G. Cancellation

This Policy may be canceled by the **Named Insured** by surrender thereof to the Company or any of its authorized representatives or by mailing to the Company written notice stating when thereafter the cancellation shall be effective.

The Policy may be canceled by the Company by mailing to the **Named Insured** at the address shown on the Declarations Page written notice stating when not less than 60 days thereafter, or 10 days in the case of nonpayment of premium, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to mailing.

If the Company cancels, the earned premium shall be the pro rated amount of the annual premium. If the **Named Insured** cancels, the premium will be cancelled short rate where allowable by law. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed to the **Named Insured** shall be sufficient tender of any refund or premium due to the **Named Insured**, provided that if at the time of cancellation the Aggregate Limit of Liability has been exhausted, the entire premium shall be considered earned.

H. Nonrenewal

The Company may nonrenew this Policy by mailing or delivering to the **Named Insured** at the address stated in the Declarations Page written notice of nonrenewal at least 60 days before the expiration date of this Policy. The offer of renewal policy terms, conditions, or premium amount different than those in effect prior to renewal does not constitute nonrenewal.

I. Changes

The terms of this Policy shall not be waived or changed except by endorsement issued to form a part of this Policy.

J. Bankruptcy or Insolvency of Named Insured

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

K. Application and Declaration Page

By acceptance of this Policy, the **Named Insured** agrees that the statements in the Application are the **Named Insured's** agreements and representations, that they shall be deemed material, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the **Named Insured** and the Company.

This Policy is not effective unless a Declarations Page is issued.

L. Reimbursement

While the Company has no duty to do so, if the Company pays **Damages** or **Claims Expenses**:

1. Within the amount of the applicable Deductible, or
2. In excess of the applicable Limits of Liability, or
3. Under a reservation of rights to seek reimbursement, and it is determined that the Company is entitled to reimbursement, upon written demand, the **Named Insured** shall repay such amounts to the Company within thirty (30) days. Failure to pay any amount indicated may lead to policy termination.

M. Liberalization

If the Company adopts, during the **Policy Period**, any revision that without additional premium would broaden coverage under this Policy, the broadened coverage will apply to this Policy effective when the provision has been approved by the appropriate regulatory authority but such provision shall only apply to **Claims** first made after the date such approval is received by the Company.

N. Examination of Your Books and Records

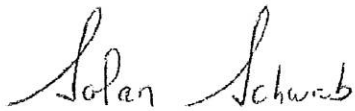
The Company may examine and audit your books and records as they related to this Policy at any time during the **Policy Period** and up to three (3) years afterward.

O. Demise of Named Insured

This coverage shall terminate at the earlier of policy termination or thirty (30) days from the date of the demise of the **Named Insured** unless written notice is given to the Company, together with such information as the Company may request.

IN WITNESS WHEREOF the General Star National Insurance Company has caused this policy to be signed by its President and Secretary at Stamford, Connecticut, but the same shall not be binding upon the Company unless countersigned on the Declarations Page by an authorized representative of the Company.

General Star National Insurance Company



Secretary



President

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement # _____, effective 08/05/2014 forms a part of Policy # NJA306388
issued to Alex S. Hale.

SUPPLEMENTARY PAYMENTS – THIRD PARTY NOTIFICATION

This endorsement modifies insurance provided under the following:

REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY

SECTION V - SUPPLEMENTARY PAYMENTS is amended to include the following:

The Company will pay in addition to the Limits of Liability stated in Item 3. on the Declarations Page:

Up to \$2,500 to the **Named Insured** for:

- A. The **Costs of Third Party Notification**, as required by applicable State or Federal privacy statutes, due to the loss, disclosure or dissemination of confidential data as a result of a **Named Insured's** act, error, omission or **Personal Injury**; and
- B. The cost or fees for services of outside consultants or firms retained by the **Named Insured**:
 - 1. To mitigate, prevent, or decrease the possibility of further loss as a result of **Electronic Information Damages**;
 - 2. To investigate and verify the cause, amount or extent of **Electronic Information Damages**; and
 - 3. To contain, eradicate and recover the loss, disclosure or dissemination of confidential data as a result of **Electronic Information Damages**.

Costs of Third Party Notification and **Electronic Information Damages** must first take place on or after the Retroactive Date of this Policy and before the end of the **Policy Period** and be first reported in writing to the Company by the **Named Insured** during the **Policy Period**. \$2,500 is the maximum aggregate amount payable to the **Named Insured** regardless of the number of incidents of loss, disclosure or dissemination of confidential information or the number of proceedings covered by this Endorsement.

As used in this endorsement the following Definitions apply:

- A. **Costs of Third Party Notification** means all costs associated with the notification of current or previous clients or others, who are parties to the **Professional Services** of the **Named Insured**, including reasonable applicable and necessary legal fees, other than **Claims Expenses**, incurred in connection with such notification.
- B. **Electronic Information Damages** means damage arising out of the unauthorized and third party:
 - 1. Destruction or addition or deletion of information that was entrusted to the **Named Insured** by others and that was, resident on the **Named Insured's Network Communications System**;
 - 2. Copying or theft of any information resident on **Network Communications System**; or
 - 3. Use or alteration of any software resident on **Network Communications System**.
- C. **Network Communications System** means any or all of the components, owned and/or controlled by the **Named Insured** for its **Professional Services**, including computers and software, which combine to enable the **Named Insured's** computers to communicate electronically with other computer systems.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement # _____, effective 08/05/2014 forms a part of Policy # NJA306388
issued to Alex S. Hale.

ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY

The following entity(ies) is/are included as an Additional Insured, but only with respect to **Claims** arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** by the **Named Insured** and subject to all of the other terms and conditions of the policy.

1. Alex Hale Appraisals
- 2.
- 3.
- 4.
- 5.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement # _____, effective 08/05/2014 forms a part of Policy # NJA306388
issued to Alex S. Hale.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY

Section VI - EXCLUSIONS is amended by the addition of the following:

- A. An **act of terrorism**. With respect to an **act of terrorism**, this exclusion applies only when one or more of the following are attributed to such act:
1. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property shall be included. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
 2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ; or
 3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
 4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, paragraphs 1. and 2. above describe the thresholds used to measure the magnitude of an **act of terrorism** incident and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

The following definition is added for the purposes of this endorsement:

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. Multiple incidents of an **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.

In the event of any **act of terrorism** that is not subject to this exclusion, the Company has no obligation under this policy to pay **Damages** or **Claim Expenses**, or to provide a defense, in connection with any **Claim** that is otherwise excluded under this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement # _____, effective 08/05/2014 forms a part of Policy # NJA306388
issued to Alex S. Hale.

RETIREE EXTENDED REPORTING PERIOD OPTION

This endorsement modifies insurance provided under the following:

REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY

In consideration of the ANNUAL PREMIUM shown in the DECLARATIONS PAGE of this Policy, **SECTION VIII – EXTENDED REPORTING PERIODS**, paragraph E. **Retiree Extended Reporting Period Option** is deleted in its entirety and is replaced by the following:

E. Retiree Extended Reporting Period Option

If the **Named Insured** cancels, nonrenews or fails to renew this Policy due to retirement or permanently ceasing operations in the capacity as an appraiser of real estate, the **Named Insured** shall, for an additional premium of 160% of the full annual premium for this Policy, have the right to a Retiree Extended Reporting Period for an unlimited period following the end of the **Policy Period**. This Retiree Extended Reporting Period shall extend for an unlimited period of time in which the **Named Insured** can give written notice to the Company of **Claims** first made against the **Named Insured** during the Automatic Extended Reporting Period or Retiree Extended Reporting Period for any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** taking place on or after the Retroactive Date, as stated on the Declarations Page, and before the end of the **Policy Period**, subject to the terms, limitations, exclusions and conditions of this Policy. The right to purchase the Retiree Extended Reporting Period shall terminate unless written notice of the **Named Insured's** election together with the additional premium is received by the Company or its authorized agent within sixty (60) days of the end of the **Policy Period**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement # _____, effective 08/05/2014 forms a part of Policy # NJA306388
issued to Alex S. Hale

CALIFORNIA AMENDATORY ENDORSEMENT

SECTION IX – GENERAL CONDITIONS, paragraph G., **Cancellation**, is deleted in its entirety, and is replaced by the following:

G. Cancellation

1. This policy may be canceled by the **Named Insured** by surrender thereof to the Company or any of its authorized representatives or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. The Company must receive the policy or written notice before the cancellation date. The time of the surrender, or 12:01 a.m. at the address shown on the Declarations Page on the effective date of cancellation stated in the notice, shall become the end of the **Policy Period**.
2. This policy may be canceled by the Company by mailing or delivering to the **Named Insured** at the address shown on the Declarations Page, and to the **Named Insured's** agent at its last known address, written notice stating the reason(s) for cancellation and when such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice shall be equivalent to mailing. Such notice must be mailed or delivered, at least:
 - a. Ten (10) days before the effective date of cancellation, if the Company cancels for nonpayment of premium or fraud; or
 - b. Thirty (30) days before the effective date of cancellation, if the Company cancels for any other reason.
3. After coverage has been in effect for more than sixty (60) days, this policy may be canceled by the Company only for one or more of the following reasons occurring after the effective date of the policy:
 - a. Nonpayment of premium, including any premiums due on a prior policy issued by the Company covering the same risks; or
 - b. A judgment by a court or an administrative tribunal that the **Named Insured** has violated any law of California or the United States having as one of its necessary elements an act that materially increases any of the risks insured against; or
 - c. Discovery of fraud or material misrepresentation by the **Named Insured** or his or her representative in obtaining the policy or in pursuing a **Claim** thereunder; or
 - d. Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by the **Named Insured** his or her representative, which materially increase any of the risks insured against; or
 - e. Failure by the **Named Insured** or his or her representative to implement reasonable loss control requirements that were agreed to by the insured as a condition of policy issuance or that were conditions precedent to the use by the Company of a particular rate or rating plan, if the failure materially increases any of the risks insured against; or
 - f. A determination by the commissioner that the loss of, or changes in, the Company's reinsurance covering all or part of the risk would threaten the financial integrity or solvency of the insurer; or

- g. A determination by the commissioner that a continuation of the policy coverage would place the insurer in violation of the laws of California or the state of its domicile or that the continuation of coverage would threaten the solvency of the Company; or
 - h. A change by the **Named Insured** or his or her representative in the **Professional Services** insured by the policy that results in a material added risk, a materially increased risk, or a materially changed risk, unless the added, increased, or changed risk is underwritten and included in the policy.
4. If the Company cancels, the earned premium shall be the pro rated amount of the annual premium. Premium adjustment shall be made as soon as practicable after cancellation becomes effective. If the **Named Insured** cancels, the premium will be cancelled at the customary short rate. In such case, premium adjustment shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed or delivered to the **Named Insured** within eighty (80) business days shall be sufficient tender of any refund or premium due to the **Named Insured**, provided that if at the time of cancellation the Aggregate Limit of Liability has been exhausted, the entire premium shall be considered earned. The cancellation will be effective even if the Company has not made or offered a refund. However, if a refund of unearned premium is determined to be due, the premium will bear interest at the rate of 10% per annum from and after the date the unearned premium was required to be refunded.

SECTION IX – GENERAL CONDITIONS, paragraph H., **Nonrenewal**, is deleted in its entirety, and is replaced by the following:

H. Nonrenewal

1. The Company may nonrenew this policy by mailing or delivering to the **Named Insured** at the address stated in the Declarations Page written notice of nonrenewal at least sixty (60) days but not more than one hundred twenty (120) days before the expiration date of this policy. The notice shall include the reason(s) for such nonrenewal. The mailing of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice shall be equivalent to mailing.
2. For purposes of this provision, if the Company intends to condition renewal of the policy upon a reduction of limits, elimination of coverages, increase in deductibles, or increase of more than 25 percent in the rate upon which the premium is based, it shall be treated as a nonrenewal of this policy requiring notice under section 1 of this provision.
3. If the notice required by section 1 of this provision is not timely given, the policy shall be continued for a period of 60 days after the Company gives the notice, with no change in its terms or conditions. Additional pro rata premium shall be due for that portion of the continuance that occurs after the expiration date of this policy at the same premium rate as the expiring policy.
4. This provision shall not apply in the event of:
 - a. The transfer of, or renewal of, a policy without a change in its terms or conditions or the rate on which the premium is based between insurers that are members of the same insurance group; or
 - b. The policy has been extended for 90 days or less, if the notice required in section 1 of this provision has been given prior to the extension; or
 - c. The **Named Insured** has obtained replacement coverage or has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage; or
 - d. The policy is for a period of no more than 60 days and the **Named Insured** is notified at the time of issuance that it may not be renewed; or
 - e. The **Named Insured** requests a change in the terms or conditions or risks covered by the policy within 60 days prior to the end of the **Policy Period**; or
 - f. The Company has made a written offer to the **Named Insured**, within the time period specified in section 1 of this provision, to renew the policy under changed terms or conditions or at a changed premium rate.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.



APPLICATION
Real Estate Appraisers Errors & Omissions Insurance
(California)

Mercer Consumer
P. O. Box 8146
Des Moines, IA 50306-8146
1-866-795-9613

This application is for an individual deriving 100% of revenue from performing real estate appraisals.

If you are involved in other areas of real estate please contact the agent shown above.

Applicant Alex S. Hale Address 28040 Robinson Canyon Road
(First Name, Middle Initial, Last Name)
City Carmel ST CA Zip 93923 Tel: 831-626-1600 Fax: 831-626-1600

NOTE: Coverage afforded shall apply to appraisals performed by the applicant appraiser only. Coverage does not apply to the supervision or approval of appraisals performed by others.

E-Mail Address: alexhaleappraisals@gmail.com

☐ In lieu of mailing my policy, you may E-mail my policy to the above address. I agree to accept an electronic copy of my application with the policy.

Desired Effective Date: 08/05/2014 Policy Number (if renewal): _____

Name of appraisal firm in which you are affiliated: Alex Hale Appraisals

PROGRAM ELIGIBILITY

To be eligible for this program, the responses to questions 1- 4 below must all be "TRUE".

- | | |
|--|---|
| 1. The applicant holds a valid state license or certification in each state in which he/she provides appraisal services. If you are a Trainee, you have passed the initial exam (if required) or any other state requirements. | ☒ True ☐ False |
| 2. The applicant does not appraise any real estate in which he/she has an ownership interest. | ☒ True ☐ False |
| 3. The applicant has not been investigated or disciplined by any state licensing, administrative or regulatory board as a result of appraisal activities within the past 5 years. | ☒ True ☐ False |
| 4. There have been no claims made or reported nor am I aware of any circumstances which could result in a claim made against the applicant within the past 5 years. | ☒ True ☐ False |

PRIOR ACTS DATE/RETROACTIVE DATE

5. The applicant currently has an active Appraisers Errors & Omissions Insurance Policy? (MUST CHECK ONE)	☒ True ☐ False
6. If question 5 is "TRUE", what is the Prior Acts Date on your current policy (also known as the Retroactive Date)? <i>INFORMATION ONLY. The Prior Acts Date (also known as the Retroactive Date) is typically found on the Declarations Page, which is the first page of the policy. If it is not included on the Declarations Page, it will be included in one of the endorsements attached to your policy. All Errors & Omissions policies are assigned a Prior Acts Date, enter the date in question #6 (above) as it appears on your Declarations Page or endorsement. If the assigned Prior Acts Dates is "N/A" this typically means you have assigned Full Prior Acts Coverage, in which case Group 2 Premiums apply.</i>	08/05/2009 MM/DD/YYYY

RESIDENTIAL VS COMMERCIAL PREMIUM

To be eligible for the Residential Premiums shown below, the responses to questions 7-9 must <u>all</u> be "TRUE". All others use the Commercial Premium schedule shown below	
7. In the last fiscal year, 80% or more of the applicant's revenues have been derived from residential appraisals.	☒ True ☐ False
8. Within the last fiscal year, the applicant has not appraised any properties valued at greater than \$3,000,000.	☒ True ☐ False
9. The applicant's total gross revenues did not exceed \$500,000 for the last three (3) year period.	☒ True ☐ False

GROUP 1 PREMIUMS

To be eligible for Group 1 Premiums, the applicant:

- Has an active Appraisers Errors and Omissions Insurance policy with a Prior Acts Date (also known as a Retroactive Date) in question 6 that is 8/1/2008 or more recent (a date between 8/1/2008 and today);
or
- Does NOT have an active Appraisers E&O insurance policy (i.e., your response to question 5 is "FALSE").

Per Claim/ Annual Aggregate Limit	RESIDENTIAL	COMMERCIAL
<i>Select Desired Limit</i>	To be eligible for the residential premium your responses to questions 7-9 must all be "true".	
\$300,000 / \$600,000	\$672	\$697
\$500,000 / \$1,000,000	\$684	\$717
\$1,000,000 / \$1,000,000	\$697	\$734
\$1,000,000 / \$2,000,000	\$750	\$793

GROUP 2 PREMIUMS

Group 2 Premiums apply to any applicant who does not qualify for Group 1, including if the Prior Acts Date (also known as a Retroactive Date) in question 6 is either:

- 7/31/2008 or older;
or
- "None", "Not Applicable", "N/A", "Full" or "Unlimited".

Per Claim/ Annual Aggregate Limit	RESIDENTIAL	COMMERCIAL
<i>Select Desired Limit</i>	To be eligible for the residential premium your responses to questions 7-9 must all be "true".	
\$300,000 / \$600,000	\$1,008	\$1,045
\$500,000 / \$1,000,000	\$1,027	\$1,076
\$1,000,000 / \$1,000,000	\$1,045	\$1,100
\$1,000,000 / \$2,000,000	\$1,125	\$1,189

Premium	Enter the premium YOU selected from above: \$ <u>697</u> Premium Due A standard DEDUCTIBLE of \$0.00 per claim applies to each policy.
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If you have an active and in-force Appraisers Errors & Omissions Insurance you need prior acts coverage. Attach a copy of your current policy's declaration page showing the prior acts date (also known as the retroactive date) when submitting this application. Notice: the premium will be corrected if such date contradicts a response to questions 5 or 6.

GeneralStar[®]

APPLICATION
Real Estate Appraisers Errors & Omissions Insurance

General Star National Insurance Company is an "admitted" or "licensed" insurer in all states except Connecticut (where General Star Indemnity Company is "admitted" or "licensed"), subject to the financial solvency regulation and enforcement, which applies to licensed companies. This insurance company participates in state insurance guarantee funds.

Fraud Warning:

Any person who knowingly, and with the intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any material false information or conceals for the purposes of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties and denial of insurance benefits.

IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT. SHOULD A POLICY BE ISSUED IT WILL ATTACH TO THE POLICY.

Completion of the application or tendering of premium does not bind coverage.

I understand that the final premium will be rounded to the next dollar. I declare that the information submitted herein is true to the best of my knowledge and becomes a part of my Application for Real Estate Appraisers Errors and Omissions Insurance.

Signature Alex S. Hale

Must be signed by the applicant

Date 06/11/2014