



Ed Morales
Environmental Advisor

Marsh Risk & Insurance Services
345 California Street, Suite 1300
San Francisco, CA 94104
415.743.8023
www.marsh.com

January 2, 2015

Fort Ord Reuse Authority
Michael Houlemard, Jr.
Executive Officer
Fort Ord Reuse Authority
920 2nd Avenue, Suite A
Marina, CA 93933

Subject: Insured Entity Name: Fort Ord Reuse Authority
Line(s) of Coverage: Pollution Legal Liability
Insurer: Chubb Custom Insurance Company
Policy Number: 37314351
Policy Period: 12/31/2014 to 12/31/2024

Dear Mr. Houlemard,

Enclosed is your above-captioned insurance policy. Please reference our Binder Transmittal for details of coverage.

Please note that the enclosed policy is an electronic version of a hard copy policy that was delivered to us by the carrier. If you require the original document, please contact us and we will forward it to you.

Pollution Legal Liability insurance covers your legal liability arising out of pollution losses subject to the policy terms and conditions.

Policy Review and Requested Corrections:

This policy has been reviewed against the signed Binder and we find that it has been issued in accordance with the bound program. No corrections are required.

This letter represents a synopsis of coverage and is provided as a reference only. The actual policy, including endorsements determines coverage. It contains exclusions, limitations and other provisions not referenced (or only briefly summarized) here and the policy should be consulted for full coverage terms, conditions and requirements. It is important that you review the policy and advise us at your earliest opportunity of anything which you believe is not in accordance with the negotiated coverage and terms.

We thank you for your business and for allowing Marsh the opportunity to assist you in fulfilling your risk management and insurance needs.

Regards,

Ed Morales

Ed Morales

Encl.

FORT ORD REUSE AUTHORITY

ENVIRONMENTAL SITE LIABILITY

This outline is a brief summary only; for complete terms and conditions, please refer to the actual policy.

This is written on a **claims-made and reported** form.

INSURANCE SUMMARY

Insurer:	Chubb Custom Insurance Company
Policy Number:	37314351
Policy Term:	12/31/2014(12:01 AM) to 12/31/2024(12:01 AM)
Policy Form:	70-02-1400 (Ed. 4-11)
Coverage:	Coverage A: Pre-existing Pollution Incidents at Insured Sites Coverage B: New Pollution Incidents at Insured Sites Coverage C: Mold Incidents at Insured Sites Coverage D: Non-owned Disposal Sites Liability Coverage F: Transported Cargo Liability
Premium:	\$1,442,639 100% minimum earned
Limits of Liability:	<ul style="list-style-type: none">• \$50,000,000 Each incident• \$50,000,000 Policy aggregate
Deductible:	<ul style="list-style-type: none">• \$500,000 Self Insured Retention
Notice of Cancellation:	<ul style="list-style-type: none">• This Policy may be cancelled by First Named Insured by written notice to the Insurer stating when cancellation shall be effective• This Policy may be cancelled by the Company not less than sixty (60) days written notice to the Insured from Insurer for fraud or material misrepresentation

FORT ORD REUSE AUTHORITY

ENVIRONMENTAL SITE LIABILITY

Reporting Requirements:

If an insured has a loss, please contact Chubb by telephone as soon as possible for further assistance:

Telephone

1-800-252-4670 24 hours a day, 7 days a week

Fax

1-800-300-2538

Mailing Address

Chubb Group of Insurance Companies
Claim Service Center
600 Independence Parkway
P.O. Box 4700
Chesapeake, VA 23327-4700

FORT ORD REUSE AUTHORITY

ENVIRONMENTAL SITE LIABILITY

Conditions:

- Arbitration
- Assignment of Policy
- Bankruptcy
- Cancellation
- Compliance By Insureds
- Compliance With Applicable Trade Sanctions
- Compulsory Insurance or Financial Responsibility Laws or Regulations
- Duties in the Event of Incidents or Claims
- Duties in the Event of Potential Incidents
- Duties to Cooperate
- Duties to Report and Remediate Incidents
- Entire Agreement and Changes
- First Named Insured
- Inspections or Interviews
- Legal Action Against Us
- Mediation
- Other Insurance
- Representations/Concealment or Misrepresentation
- Separation of Insureds
- Titles of Paragraphs
- Transfer of Rights of Recovery
- Voluntary Payments Or Settlements

FORT ORD REUSE AUTHORITY

ENVIRONMENTAL SITE LIABILITY

Exclusions by policy:

- Aircraft, Auto, Rolling Stock or Watercraft-Coverage E- Offsite Insured Operations Liability
- Asbestos
- Change in Use or Operations
- Contracts
- Damage to Transported Property – Coverage F- Transported Cargo Liability
- Damage to Owned, Occupied or Rented Property
- Damage To Your Product or Your Work
- Employer's Liability
- Failure to Perform
- Insured vs. Insureds
- Known Incidents
- Known Underground Storage Tanks
- Lead Based Paint
- Non-Compliance With Laws
- Products or Completed Operations
- Specific Professional Services – Coverage E – Off Site Insured Operations Liability
- Recall, Adjustment Inspection or Replacement – Coverage E – Off Site Insured Operations Liability
- Worker's Compensation or Similar Laws

Amendments/Exclusions Added to the Policy:

- Conditions – Cancellation, With 100% Earned Premium
- Notice of Cancellation to Scheduled Insureds
- Amendment to Definition of Clean-up Costs
- Exclusions – Nuclear Energy
- Amendment to Definition of Environmental Laws
- Terrorism Provisions – Terrorism Exclusion
- Definition of Pollution Incident to include MEC
- Exclusion – Asbestos
- Exclusion – Failure to Maintain
- Exclusion – Identified Contaminants
- Exclusion – Mold without Certificate of Occupancy
- Indemnity Contracts Schedule
- Additional Insured
- Limits of Insurance – Per Named Insured Aggregate Limit
- Other Insurance – Excess over Scheduled Indemnification
- Schedule of Insured Sites
- Schedule of Named Insureds
- Service of Suit Conditions

MARSH RISK AND INSURANCE SERVICES
ATTN: ED MORALES
345 CALIFORNIA ST.#1300
SAN FRANCISCO, CA 94104

INSURED: FORT ORD REUSE AUTHORITY

PRODUCT: *EIL*

POLICY NO: 37314351

TRANSACTION: NL



POLICYHOLDER NOTICE

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the Producer Compensation link located at the bottom of the page at www.chubb.com, or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.



IMPORTANT NOTICE TO POLICYHOLDERS TERRORISM RISK INSURANCE ACT

This Important Notice is being provided with your policy to further satisfy the disclosure requirements of the Terrorism Risk Insurance Act.

At the time you received the written offer for this policy, we provided you with an Important Notice to Policyholders indicating that the insurance provided in your policy for losses caused by certain acts of terrorism (as defined in the Terrorism Risk Insurance Act) would be partially reimbursed by the United States of America, pursuant to the formula set forth in the Terrorism Risk Insurance Act. In addition, as required by the Terrorism Risk Insurance Act, we:

- indicated that we would make available insurance for such losses in the same manner as we provide insurance for other types of losses;
- specified the premium we would charge, if any, for providing such insurance; and
- except to the extent prohibited by law, gave you the opportunity to reject such insurance and have a terrorism exclusion, sublimit or other limitation included in your policy.

This Important Notice refers back to that Important Notice and provides information about your decision and the manner in which your policy has been subsequently modified.

If:

- You rejected terrorism insurance under the Terrorism Risk Insurance Act, your policy includes the appropriate amendatory endorsement(s).
- You did not reject terrorism insurance under the Terrorism Risk Insurance Act, the premium charged for your policy, including that portion applicable to terrorism insurance under the Terrorism Risk Insurance Act, is shown in your policy. To the extent your policy includes a limitation on terrorism insurance, it has been modified so that such limitation does not apply to terrorism insurance under the Terrorism Risk Insurance Act.

Please carefully review your policy and the Important Notice previously provided to you for further details. Please remember that only the terms of your policy establish the scope of your insurance protection.

Please note that if your policy:

- provides commercial property insurance in a jurisdiction that has a statutory standard fire policy, the premium we charge for terrorism insurance under the Terrorism Risk Insurance Act, includes an amount attributable to the insurance provided pursuant to that standard fire policy. Rejection of such statutory insurance is legally prohibited.
- is a workers compensation policy, rejection of insurance for terrorism is legally prohibited.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



IMPORTANT NOTICE TO POLICYHOLDERS

This Important Notice is not your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered. Only the provisions of your policy determine the scope of your insurance protection.

THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS.

PLEASE READ THIS NOTICE CAREFULLY.

Various trade or economic sanctions and other laws or regulations prohibit us from providing insurance in certain circumstances. For example, the United States Treasury Department's Office of Foreign Asset Control (OFAC) administers and enforces economic and trade sanctions and places restrictions on transactions with foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers. OFAC acts pursuant to Executive Orders of the President of the United States and specific legislation, to impose controls on transactions and freeze foreign assets under United States jurisdiction. (To learn more about OFAC, please refer to the United States Treasury's web site at <http://www.treas.gov/ofac>.)

To the extent that you or any other insured, or any person or entity claiming the benefits of this insurance has violated any applicable sanction laws, this insurance will not apply.

We have added a condition or section that applies to the entire policy called Compliance With Applicable Trade Sanctions, which stipulates that your insurance policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

Environmental Liability Insurance

FOR

FORT ORD REUSE AUTHORITY

Producer:

MARSH RISK AND INSURANCE SERVICES
345 CALIFORNIA ST.#1300
SAN FRANCISCO, CA 94104
ATTN: ED MORALES

Chubb Servicing Office:

CHUBB GROUP OF INSURANCE COMPANIES
275 BATTERY STREET
SAN FRANCISCO, CA 94111-3333

UNDERWRITER: THOMAS R. COLLINS

Environmental Liability Insurance

How To Report A Loss

To assist you in reporting a **Loss**, the following procedure has been set up to allow you to notify us.

Loss Notification

If an **Insured Person** has a **Loss**, please contact us by telephone as soon as possible for further assistance:

Telephone Number: 1-800-252-4670

24 hours a day, 7 days a week

Fax Number

You may also fax the loss report during normal business hours to:

Fax Number: 1-800-300-2538

Mailing Address

You may mail your loss report to the following address:

Chubb Group Of Insurance Companies
Claim Service Center
600 Independence Parkway
P.O. Box 4700
Chesapeake, Va 23327-4700

Environmental Liability Insurance

Premium Bill

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY

Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

Portion of total premium attributable for terrorism and statutory standard fire where applicable is (\$0.00).

PLEASE SEND PAYMENT TO AGENT OR BROKER

<u>Date Payment Due</u>	<u>Premium</u>
JANUARY 4, 2015	\$1,442,639.00
<hr/>	
TOTAL	\$1,442,639.00
	Commission 0.00%

2014 – 2024 NEW LINE

WHEN SENDING PAYMENT, PLEASE INDICATE POLICY NUMBER ON YOUR CHECK.

NOTE: PLEASE RETURN THIS BILL WITH PAYMENT AND INCLUDE ANY ADDITIONAL CHANGES.

TOTAL OF ADDITIONAL CHARGES ARE INCLUDED IN AND PAYABLE WITH THE FIRST PAYMENT DUE ABOVE.

Producer:

MARSH RISK AND INSURANCE SERVICES
345 CALIFORNIA ST.#1300
SAN FRANCISCO, CA 94104
ATTN: ED MORALES

Environmental Liability Insurance

Premium Bill

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY

Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

Portion of total premium attributable for terrorism and statutory standard fire where applicable is (\$0.00).

PLEASE SEND PAYMENT TO AGENT OR BROKER

<u><i>Date Payment Due</i></u>	<u><i>Premium</i></u>
JANUARY 4, 2015	\$1,442,639.00
<hr/>	
TOTAL	\$1,442,639.00

2014 – 2024 NEW LINE

WHEN SENDING PAYMENT, PLEASE INDICATE POLICY NUMBER ON YOUR CHECK.

NOTE: PLEASE RETURN THIS BILL WITH PAYMENT AND INCLUDE ANY ADDITIONAL CHANGES.

TOTAL OF ADDITIONAL CHARGES ARE INCLUDED IN AND PAYABLE WITH THE FIRST PAYMENT DUE ABOVE.

Producer:

MARSH RISK AND INSURANCE SERVICES
345 CALIFORNIA ST.#1300
SAN FRANCISCO, CA 94104
ATTN: ED MORALES

Environmental Liability Insurance

Schedule of Forms

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY

Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

The following is a schedule of forms issued as of the date shown above:

<i>Form Name</i>	<i>Form Number</i>	<i>Edition Date</i>
AOD IMPORTANT POLICYHOLDER NOTICE	99-10-0872-ELI	06-07
IMPORTANT NOTICE TO POLICYHOLDERS	99-10-0732-ELI	12-07
OFAC - IMPORTANT NOTICE TO POLICYHOLDERS	99-10-0792-ELI	09-04
HOW TO REPORT A LOSS	70-02-1497	04-11
CCIC ELI DECLARATIONS	70-02-1402	04-11
ENVIRONMENTAL LIABILITY INSURANCE CONTRACT	70-02-1400	04-11
CONDITIONS-CANCEL, INCL 100% MIN EARNED PREM	70-02-1471	04-11
COND-NOTICE OF CANC TO SCHED PERSONS/ORGS	70-02-1476	04-11
DEFIN – CLEAN UP COSTS – REQUIRED BY ENV LAWS	70-02-1494	04-11
DEFIN – DEFINITION OF ENV LAWS	70-02-1494	04-11
DEFIN – DEFINITION OF POLL INCIDENT TO INCLUDE MEC	70-02-1494	04-11
EXCL-ASBTS, SILICA OR SMLAR COMPD, INCD MIX DUST	70-02-1468	04-11
EXCL-FAIL TO MAINTAIN ENGINEER OR INSTITUTIONL CTRL	70-02-1453	04-11
EXCL-IDENTIFIED CONTAMINANTS AT INSD SITES, SCHED	70-02-1447	04-11
EXCL-MOLD INCIDENTS AT BLDGS W/OUT CERT OF OCCUPANCY	70-02-1494	04-11
EXCLUSION - NUCLEAR ENERGY	70-02-1445	04-11
EXCLUSION OF CERTIFIED ACTS OF TERRORISM	70-02-1496	04-11
EXCL-TOTAL LEAD BASED PAINT	70-02-1494	04-11
INDEMNITY CONTRACTS	70-02-1491	04-11
INSURED, INCLUDING SCHEDULED PERSON OR ORG	70-02-1488	04-11
LIMITS OF INS - SCHEDULED SITE AGGREGATE LIMIT	70-02-1494	04-11
OTH INS-EXES OVER INDEM AGRMT UNLESS INDEM INSOLV	70-02-1478	04-11
POST-TRIA CONDITIONAL EXCLUSION OF TERRORISM	70-02-1503-ELI	01-14
SCHEDULE OF INSURED SITES	70-02-1407	04-11
SCHEDULE OF NAMED INSUREDS	70-02-1406	04-11
CALIFORNIA - SERVICE OF SUIT CONDITIONS	10-02-0013C	02-98

Environmental Liability Insurance

Declarations

Chubb Group of Insurance Companies

**15 Mountain View Road
Warren, NJ 07059**

Named Insured and Mailing Address

FORT ORD REUSE AUTHORITY

920 2ND AVENUE
MARINA, CA 93933

Policy Number 37314351

Effective Date December 31, 2014

Issued by the stock insurance company, indicated below, herein called the company.

Chubb Custom Insurance Company

Incorporated under the laws of New Jersey

Producer No 93581
Producer MARSH RISK AND INSURANCE SERVICES
345 CALIFORNIA ST.#1300
SAN FRANCISCO, CA 94104

Limits Of Insurance and Coverages

Policy Aggregate Limit \$50,000,000
Each Incident Limit \$50,000,000

This policy includes only those Coverages for which a limit of insurance appears below, or if no limits of insurance appear for a Coverage and the words "Not Included" appear, then no coverage applies.

Coverages	Coverage Aggregate Limits	Self Insured Retentions And Waiting Periods	Policy Periods	
			From	To
			12:01 A.M. standard time at the Named Insured's Mailing Address shown above	
Coverage A – Pre-Existing Pollution Incidents At Insured Sites	\$50,000,000	\$500,000	December 31, 2014	December 31, 2024
Coverage B – New Pollution Incidents At Insured Sites	\$50,000,000	\$500,000	December 31, 2014	December 31, 2024
Coverage C – Mold Incidents At Insured Sites	\$50,000,000	\$500,000	December 31, 2014	December 31, 2024
Coverage D – Non-Owned Disposal Sites Liability	\$50,000,000	\$500,000	December 31, 2014	December 31, 2024
Coverage E – Off Site Insured Operations Liability	Not Included	Not Included	Not Included	Not Included
Coverage F – Transported Cargo Liability	\$50,000,000	\$500,000	December 31, 2014	December 31, 2024

Coverages	Coverage Aggregate Limits	Self Insured Retentions And Waiting Periods	Policy Periods	
			From	To
			12:01 A.M. standard time at the Named Insured's Mailing Address shown above	
Coverage G – Business Interruption At Insured Sites	Not Included	Not Included	Not Included	Not Included

Delineation Date: December 31, 2014

Retroactive Dates:

Mold Retroactive Date:	None
Non-Owned Disposal Sites Retroactive Date:	None
Off Site Insured Operations Retroactive Date:	Not Included

Insured Sites: See Endorsement titled Schedule of Insured Sites

Off Site Insured Operations: Not Included

Policy Premium: \$1,442,639.00

Authorization

In witness whereof, the Company issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly Authorized Representative of the Company.

CHUBB CUSTOM INSURANCE COMPANY

Maureen A. Brundage

Secretary

Paul I. Krumb

President

[Signature]

Authorized Representative

Issue Date: December 15, 2014

Liability Insurance

Environmental Liability Insurance

Table Of Contents

<i>Section</i>	<i>Page No.</i>
<i>Coverages</i>	<i>3</i>
<i>Investigation, Defense And Settlements</i>	<i>8</i>
<i>Supplementary Payments</i>	<i>8</i>
<i>Limits Of Insurance</i>	<i>9</i>
<i>Retention And Waiting Periods</i>	<i>10</i>
<i>Exclusions</i>	<i>11</i>
<i>Extended Reporting Period</i>	<i>16</i>
<i>Conditions</i>	<i>17</i>
<i>Definitions</i>	<i>23</i>

THIS PAGE INTENTIONALLY LEFT BLANK

Environmental Liability Insurance

Contract

Please read the entire policy carefully.

Throughout this contract the words "you" and "your" refer to the Named Insured shown in the Declarations and other persons or organizations qualifying as a named insured under this contract. The words "we," "us" and "our" refer to the Company providing this insurance.

In addition to named insureds, other persons or organizations may qualify as insureds. Those persons or organizations and the conditions under which they qualify are set forth in the definition of insured.

Words and phrases that appear in bold print have special meanings and are defined in the Definitions section of this contract.

The use of the words damages, loss, cost or expense in any provision does not expand any coverages under this contract.

THIS INSURANCE PROVIDES CLAIMS-MADE AND REPORTED COVERAGE. EXCEPT AS OTHERWISE SPECIFIED, SUCH COVERAGE APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO US IN WRITING DURING THE POLICY PERIOD.

UNLESS OTHERWISE SPECIFIED, LOSS ADJUSTMENT EXPENSES, INCLUDING LEGAL FEES AND INVESTIGATION COSTS AND EXPENSES, WILL REDUCE THE LIMITS OF INSURANCE.

Coverages

Coverage A – Pre-Existing Pollution Incidents At Insured Sites

THE COVERAGE SET FORTH IN SUBPARAGRAPH A. BELOW APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance:

A. we will pay:

1. damages that the insured becomes legally obligated to pay for bodily injury or property damage;
2. clean up costs that the insured becomes legally obligated to pay; and
3. related loss adjustment expenses;

resulting from a pollution incident or an illicit abandonment that is on, under or migrating from the boundaries of an insured site.

This coverage applies only if a claim for such damages or clean up costs is first made against any insured and reported to us in writing during the policy period or any extended reporting period if applicable.

- B. we will pay clean up costs incurred by you resulting from a pollution incident or an illicit abandonment that is first discovered in whole or in part on or under an insured site by a responsible party during the policy period, but only with respect to pollutants or specific biological substances that are on or under such insured site.**

This coverage applies only if such pollution incident or illicit abandonment is reported to us in writing after such discovery and during the policy period.

Coverages

Coverage A – Pre-Existing Pollution Incidents At Insured Sites (continued)

- C. we will pay emergency expenses resulting from a pollution incident or an illicit abandonment that is on, under or migrating from the boundaries of an insured site.
- This coverage applies only if such pollution incident or illicit abandonment is reported to us in writing during the policy period.

Subparagraphs A., B. and C. above apply only if such pollution incident or illicit abandonment commenced before the Delineation Date shown in the Declarations.

Coverage B – New Pollution Incidents At Insured Sites

THE COVERAGE SET FORTH IN SUBPARAGRAPH A. BELOW APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance:

- A. we will pay:
1. damages that the insured becomes legally obligated to pay for bodily injury or property damage;
 2. clean up costs that the insured becomes legally obligated to pay; and
 3. related loss adjustment expenses;

resulting from a pollution incident or an illicit abandonment that is on, under or migrating from the boundaries of an insured site.

This coverage applies only if a claim for such damages or clean up costs is first made against any insured and reported to us in writing during the policy period or any extended reporting period if applicable.

- B. we will pay clean up costs incurred by you resulting from a pollution incident or an illicit abandonment that is first discovered in whole or in part on or under an insured site by a responsible party during the policy period, but only with respect to pollutants, or specific biological substances that are on or under such insured site.

This coverage applies only if such pollution incident or illicit abandonment is reported to us in writing after such discovery and during the policy period.

- C. we will pay emergency expenses resulting from a pollution incident or an illicit abandonment that is on, under or migrating from the boundaries of an insured site.

This coverage applies only if such pollution incident or illicit abandonment is reported to us in writing during the policy period.

Subparagraphs A., B. and C. above apply only if such pollution incident or illicit abandonment commences on or after the Delineation Date shown in the Declarations.

Environmental Liability Insurance

Coverages (continued)

Coverage C – Mold Incidents At Insured Sites

THE COVERAGE SET FORTH IN SUBPARAGRAPH A. BELOW APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance:

- A. we will pay:
1. damages that the insured becomes legally obligated to pay for bodily injury or property damage;
 2. mold clean up costs that the insured becomes legally obligated to pay; and
 3. related loss adjustment expenses;
- resulting from a mold incident that is on an insured site.

This coverage applies only if a claim for such damages or mold clean up costs is first made against any insured and reported to us in writing during the policy period or any extended reporting period if applicable.

- B. we will pay mold clean up costs incurred by you resulting from a mold incident that is first discovered in whole or in part on an insured site by a responsible party during the policy period, but only with respect to mold that is on such insured site.

This coverage applies only if such mold incident is reported to us in writing after such discovery and during the policy period.

- C. we will pay emergency expenses resulting from a mold incident that is on an insured site.

This coverage applies only if such mold incident is reported to us in writing during the policy period.

Subparagraphs A., B. and C. above apply only if such mold incident commenced on or after the Mold Retroactive Date shown in the Declarations.

Coverage D – Non-Owned Disposal Sites Liability

THIS COVERAGE APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance, we will pay:

- A. damages that the insured becomes legally obligated to pay for bodily injury or property damage;
- B. clean up costs that the insured becomes legally obligated to pay; and
- C. related loss adjustment expenses;

resulting from a pollution incident that is on, under or migrating from the boundaries of a non-owned disposal site.

This coverage applies only if:

- a claim for such damages or clean up costs is first made against any insured and reported to us in writing during the policy period or any extended reporting period if applicable; and
- such pollution incident commenced on or after the Non-Owned Disposal Sites Retroactive Date shown in the Declarations.

Coverages

Coverage D – Non- Owned Disposal Sites Liability (continued)

Subparagraphs A. and C. above do not apply to any bodily injury or property damage sustained by any owner or operator of any non-owned disposal site or any of their employees or contractors.

Coverage E – Off Site Insured Operations Liability

THE COVERAGE SET FORTH IN SUBPARAGRAPH A. BELOW APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance:

A. we will pay:

1. damages that the insured becomes legally obligated to pay for bodily injury or property damage;
2. clean up costs that the insured becomes legally obligated to pay; and
3. related loss adjustment expenses;

resulting from a pollution incident caused by off site insured operations.

This coverage applies only if a claim for such damages or clean up costs is first made against any insured and reported to us in writing during the policy period or any extended reporting period if applicable.

B. we will pay emergency expenses resulting from a pollution incident caused by off site insured operations.

This coverage applies only if such pollution incident is reported to us in writing during the policy period.

Subparagraphs A. and B. above apply only if such off site insured operations were performed on or after the Off Site Insured Operations Retroactive Date shown in the Declarations.

Subparagraphs A. and B. above do not apply to any damages, loss, cost or expense arising out of any pollution incident in connection with any transported cargo.

Coverage F – Transported Cargo Liability

THE COVERAGE SET FORTH IN SUBPARAGRAPH A. BELOW APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance:

A. we will pay:

1. damages that the insured becomes legally obligated to pay for bodily injury or property damage;
2. clean up costs that the insured becomes legally obligated to pay; and
3. related loss adjustment expenses;

resulting from a pollution incident if such pollutants or specific biological substances are transported cargo.

This coverage applies only if a claim for such damages or clean up costs is first made against any insured and reported to us in writing during the policy period or any extended reporting period if applicable.

Environmental Liability Insurance

Coverages

Coverage F – Transported Cargo Liability (continued)

- B. we will pay emergency expenses resulting from a pollution incident if such pollutants or specific biological substances are transported cargo.

This coverage applies only if such pollution incident is reported to us in writing during the policy period.

Coverage G – Business Interruption At Insured Sites

Subject to all of the terms and conditions of this insurance, we will pay for the actual business interruption expenses incurred by you due to a business interruption after the applicable Waiting Period shown in the Declarations.

This coverage applies only if:

- such business interruption is directly caused by or results from a pollution incident or an illicit abandonment;
- such pollution incident or illicit abandonment is first discovered in whole or in part on or under an insured site by a responsible party during the policy period;
- such pollution incident or illicit abandonment is reported to us in writing after such discovery and during the policy period; and
- the business interruption is reported to us in writing within 30 days after the commencement of such business interruption.

If the business interruption is caused by or results from a pollution incident or illicit abandonment and any other cause, we will pay only for that portion of business interruption expenses solely and directly attributable to such pollution incident or illicit abandonment.

We will reduce the amount of any business interruption expenses payment to the extent you can resume or continue your normal business operations, in whole or in part, by using damaged or undamaged property or any other available premises, site or location.

Provisions Applicable To All Coverages

- A. Subject to all of the terms and conditions of this insurance, if, during the policy period:
1. we receive a written notice of an environmental incident, then subsequent notices in connection with such environmental incident will be deemed to have been reported to us before the end of the policy period. However, any claim in connection with the incident will be subject to the rules set forth in subparagraph A.2. below.
 2. a. a claim in connection with an environmental incident is first made against any insured and reported to us in writing; or
b. we receive a written notice of an environmental incident or a potential incident;

then a subsequent claim in connection with such incident will be deemed to have been made and reported before the end of the policy period, provided such subsequent claim is actually first made against any insured and reported to us in writing before the end of the coverage relationship.

Further, if a claim is actually made against any insured and reported to us in writing before the end of the coverage relationship and such claim is part of a series of claims for the bodily injury, property damage, clean up costs or mold clean up costs sustained by the same person or organization, then a subsequent claim of such series will also be deemed to be made and reported before the end of the coverage relationship.

Coverages

Provisions Applicable To All Coverages (continued)

- B. Notwithstanding paragraph A. above, this insurance does not apply to any part of any environmental incident if any notice or any claim in connection with any part of such environmental incident has been made under any prior policy provided by us or an affiliate of ours.
- C. If a written notice of a claim or a written notice in connection with an environmental incident is actually received and recorded by us not more than 60 days after the end of the policy period, then such notice will be deemed to have been reported to us before the end of the policy period.
- D. The most we will pay under this insurance is fixed as set forth in the Limits Of Insurance section of this contract.
- Our obligations under this insurance end when we have used up the applicable Limits Of Insurance.
- Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligations or liability to pay sums or perform acts or services under this insurance.

Investigation, Defense And Settlements

Subject to all of the terms and conditions of this insurance, we will have the right and the duty to defend the insured against a claim to which this insurance applies. However, we have no duty to defend any insured against any claim unless and until the applicable Self Insured Retentions are exhausted by payments as described in the provision titled Self Insured Retentions.

We have no duty to defend any person or organization against any claim to which this insurance does not apply.

We may, at our discretion, investigate any environmental incident and make any settlement regardless of whether or not any claim has been made.

The most we will pay under this insurance is fixed as set forth in the Limits Of Insurance section of this contract.

Our obligations under this insurance end when we have used up the applicable Limits Of Insurance.

Supplementary Payments

Subject to all of the terms and conditions of this insurance, with respect to a claim against an insured that we investigate, defend against or settle, we will pay:

- reasonable and necessary expenses incurred by the insured at our request to assist us in the investigation of or defense against such claim, including actual loss of earnings up to \$1,000 a day because of time off from work.
- interest on the amount of a judgment that accrues after entry of such 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.

The most we will pay under this insurance is fixed as set forth in the Limits Of Insurance section of this contract.

Our obligations under this insurance end when we have used up the applicable Limits Of Insurance.

Environmental Liability Insurance

Limits Of Insurance

With respect to all coverages under this contract, the Limits Of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of insureds, sites, off site insured operations, environmental incidents, claims made, persons or organizations making claims or coverages provided under this contract.

The Limits Of Insurance will apply to the entirety of the policy periods and not separately to any portion thereof (whether annual or otherwise).

If any policy period is extended after issuance, then the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

Policy Aggregate Limit

With respect to all coverages under this contract, subject to the Each Incident Limit and all other applicable limits set forth in this section of this contract, the Policy Aggregate Limit is the most we will pay for the sum of all amounts described as reducing the Limits Of Insurance in the provision titled Payments That Reduce The Limits Of Insurance.

Any such sum we pay will reduce the amount of the Policy Aggregate Limit and any other applicable limit. The remaining amount of any such limit is the most that will be available for any other payment.

Coverage Aggregate Limits

Subject to the Policy Aggregate Limit and all other applicable limits set forth in this section of this contract, the most we will pay for the sum of all amounts described as reducing the Limits Of Insurance in the provision titled Payments That Reduce The Limits Of Insurance is the amount of the aggregate limit for the applicable coverage set forth under Coverage Aggregate Limits shown in the Declarations.

Any such sum we pay will reduce the amount of the applicable Coverage Aggregate Limit and any other applicable limit. The remaining amount of any such limit is the most that will be available for any other payment.

Each Incident Limit

Subject to the Policy Aggregate Limit and all other applicable aggregate limits set forth in this section of this contract, the Each Incident Limit is the most we will pay for all amounts described as reducing the Limits Of Insurance in the provision titled Payments That Reduce The Limits Of Insurance arising out of any one environmental incident.

Any such sum we pay will reduce the amount of the Each Incident Limit, the Policy Aggregate Limit and any other applicable limit. The remaining amount of any such limit is the most that will be available for any other payment.

If an applicable Coverage Aggregate Limit is less than the Each Incident Limit then such Coverage Aggregate Limit is the most that will be available for any payment under the applicable coverage.

Payments That Reduce The Limits Of Insurance

- A. With respect to all coverages under this contract, any payments we make for any of the following will reduce the Policy Aggregate Limit, the Each Incident Limit and all other applicable Limits Of Insurance:
1. damages.
 2. clean up costs.
 3. mold clean up costs.

Limits Of Insurance

Payments That Reduce The Limits Of Insurance (continued)

4. loss adjustment expenses.
 5. emergency expenses.
 6. business interruption expenses.
- B. Except for payments described as reducing the Limits Of Insurance in paragraph A. above, payments we make under the Supplementary Payments section of this contract will not reduce the Limits Of Insurance.

Retentions And Waiting Periods

Self Insured Retentions

- A. With respect to all coverages under this contract (except Coverage G – Business Interruption At Insured Sites) and subject to all of the terms and conditions of this insurance, we will pay amounts to which this insurance applies in excess of the applicable Self Insured Retentions shown in the Declarations. The Self Insured Retentions apply to amounts:
1. that arise out of any one environmental incident; and
 2. to which this insurance would otherwise apply.
- If more than one Self Insured Retention applies in connection with an environmental incident, then only the highest Self Insured Retention will apply.
- B. Further to the requirements to notify us of environmental incidents or claims set forth in the provision titled Duties In The Event Of Incidents Or Claims, the first named insured must see to it that we and any other insurers are notified, in writing, as soon as practicable (but not later than 60 days) after the first named insured becomes aware of any environmental incident or claim that may involve any amounts, whether or not paid or reserved, that total 50 percent or more of any applicable Self Insured Retention.
- C. If any insured does not consent to a settlement offer or a judgment that was acceptable to the claimant and to us, then any:
1. part of any damages, clean up costs, mold clean up costs or emergency expenses that exceeds the amount of damages, clean up costs, mold clean up costs or emergency expenses proposed in such settlement offer; and
 2. loss adjustment expenses based upon the time after, or incurred after, the date when any insured refused such settlement offer;
- will be deemed not to be:
- payments that exhaust any Self Insured Retention.
 - amounts to which this insurance applies.
- You must, and we will not, bear any obligation or liability in connection with any such amounts.
- D. If we pay or incur any amounts within any applicable Self Insured Retention, then you must promptly reimburse us for such amounts.

Environmental Liability Insurance

Retentions And Waiting Periods

Self Insured Retentions (continued)

The first named insured agrees, and is authorized, to promptly reimburse us for any and all reimbursable amounts relative to this insurance or any other insurance provided by us or an affiliate of ours including any antecedent insurance. Each named insured is jointly and severally liable for any and all such amounts.

Failure to promptly reimburse us (relative to this insurance or any other insurance provided by us or an affiliate of ours including any antecedent insurance) shall be deemed an event of nonpayment of premium.

Waiting Periods

With respect to Coverage G – Business Interruption At Insured Sites and subject to all of the terms and conditions of this insurance, we will pay the amount of business interruption expenses that is incurred by you after the Waiting Period shown in the Declarations for each pollution incident or illicit abandonment.

The Waiting Period begins immediately following the commencement of the business interruption. Days shown for the Waiting Period are normal business days.

The Waiting Period does not apply to extra expenses.

Exclusions

Aircraft, Autos, Rolling Stock Or Watercraft – Coverage E – Off Site Insured Operations Liability

With respect to Coverage E – Off Site Insured Operations Liability, this insurance does not apply to any damages, loss, cost or expense arising out of the ownership, maintenance, use (use includes operation and loading or unloading) or entrustment to others of any:

- aircraft;
- auto;
- rolling stock; or
- watercraft;

owned or operated by or loaned or rented to any insured.

Asbestos

This insurance does not apply to any damages, loss, cost or expense arising out of any actual, alleged or threatened:

- contaminative, pathogenic, toxic or other hazardous properties of asbestos.
- demand, order, request or regulatory or statutory 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 asbestos.
- claim or proceeding by or on behalf of a governmental authority or others for any damages, loss, cost or expense because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of asbestos.

This exclusion does not apply to clean up costs resulting from asbestos in groundwater or soil.

Exclusions

(continued)

Changes In Use Or Operations

This insurance does not apply to any damages, loss, cost or expense arising out of any change in use or change in operations at any insured site:

- from the use or operations disclosed to us by you in the application or from the use or operation to the extent described in an endorsement titled Midterm Change In Use made a part of this insurance; and
- which results in the imposition of more stringent measures or standards applicable to the activities set forth in the definitions of clean up costs or mold clean up costs at such insured site than those applicable as of the later of the beginning of the policy period or the date the insured site is added to this policy.

Contracts

This insurance does not apply to any damages, loss, cost or expense for which the insured is obligated to pay by reason of assumption of liability in a contract or agreement.

This exclusion does not apply to the liability that such insured would have in the absence of such contract or agreement.

With respect to all coverages under this contract (except Coverage E – Off Site Insured Operations Liability), this exclusion does not apply to the liability assumed in a contract or agreement to the extent described in an endorsement titled Indemnity Contracts made a part of this insurance.

With respect to Coverage E – Off Site Insured Operations Liability, this exclusion does not apply to the liability assumed in a written contract or agreement that is an indemnity contract, provided that the bodily injury, property damage or activities set forth in the definition of clean up costs occurs after the execution of such contract or agreement.

Damage To Transported Property – Coverage F – Transported Cargo Liability

With respect to Coverage F – Transported Cargo Liability, this insurance does not apply to any damages, loss, cost or expense for any property damage to any property being transported by or on behalf of any insured.

Damage To Owned, Occupied Or Rented Property

This insurance does not apply to any damages, loss, costs or expense for any property damage to any property owned or occupied by or leased, loaned or rented to any insured.

This exclusion does not apply to:

- Coverage E – Off Site Insured Operations Liability, but only with respect to such property owned by your client that is also an insured.
- Coverage G – Business Interruption At Insured Sites.

Damage To Your Product Or Your Work

This insurance does not apply to any damages, loss, cost or expense for any property damage to your product or your work, if arising out of it or any part of it.

Environmental Liability Insurance

Exclusions

(continued)

Employer's Liability

- A. This insurance does not apply to any damages, loss, cost or expense arising out of any bodily injury actually or allegedly sustained at any time by any:
1. employee or temporary worker of any insured arising out of and in the course of:
 - a. employment by any insured; or
 - b. performing duties related to the conduct of any insured's business.
 2. spouse, child, parent, brother or sister of such employee or temporary worker as a consequence of any injury described in subparagraph A.1. above.
- B. Paragraph A. above:
1. applies regardless of the capacity in which any insured may be liable.
 2. applies to any insured against whom a claim is made, regardless of whether such claim is made by an employee or temporary worker of:
 - a. such insured; or
 - b. any other insured.
 3. also applies to any obligation to share any damages, loss, cost or expense with or to repay any person or organization that must pay any damages, loss, cost or expense because of any of the foregoing.

Failure To Perform

This insurance does not apply to any damages, loss, cost or expense for any loss of use of any natural resources or other tangible property that is not physically injured or destroyed in connection with any delay or failure by any insured or anyone acting for any insured to perform a contract or agreement in accordance with its terms and conditions.

Insureds Versus Insureds

- A. This insurance does not apply to any damages, loss, cost or expense in connection with any claim made:
1. by any insured against any other person or organization that is also an insured under this insurance.
 2. against any insured by any:
 - a. person or organization that controls, either directly or indirectly, interests entitled to vote generally in the election of the governing body of any organization that is also an insured; or
 - b. subsidiary organization of any insured.
- B. This exclusion does not apply:
1. to a claim in connection with an indemnification given by a named insured to an insured in a contract or agreement to the extent described in an endorsement titled Indemnity Contracts made a part of this insurance.
 2. with respect to Coverage E – Off Site Insured Operations Liability, to a claim made by your client that is also an insured.

Exclusions

(continued)

Known Incidents

This insurance does not apply to any damages, loss, cost or expense arising out of any environmental incident known by any responsible party, in whole or in part, prior to:

- A. the beginning of the policy period, unless such environmental incident is disclosed to us by you in the application.
- B. as applicable, the time:
 - 1. an insured site;
 - 2. a coverage; or
 - 3. an off site insured operation;

is added to this policy, unless such environmental incident is disclosed to us by you in writing prior to such time.

Known Underground Storage Tanks

This insurance does not apply to any damages, loss, cost or expense arising out of any underground storage tank at any insured site that is:

- A. known by any responsible party, in whole or in part, prior to the later of, as applicable:
 - 1. the beginning of the policy period; or
 - 2. the time such insured site is added to this policy.
- B. installed after the beginning of the policy period.

This exclusion does not apply to an underground storage tank to the extent described in an endorsement titled Scheduled Underground Storage Tanks made a part of this insurance.

Lead Based Paint

This insurance does not apply to any damages, loss, cost or expense arising out of any actual, alleged or threatened:

- contaminative, pathogenic, toxic or other hazardous properties of lead based paint in, on or emanating from any building, fixture or other structure.
- demand, order, request or regulatory or statutory 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 lead based paint in, on or emanating from any building, fixture or other structure.
- claim or proceeding by or on behalf of a governmental authority or others for any damages, loss, cost or expense because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead based paint in, on or emanating from any building, fixture or other structure.

This exclusion does not apply to clean up costs resulting from lead based paint in groundwater or soil.

Environmental Liability Insurance

Exclusions

(continued)

Non-Compliance With Laws

This insurance does not apply to any damages, loss, cost or expense arising out of any responsible party's intentional, knowing, willful or deliberate non-compliance with any environmental law or any other statute, regulation, ordinance, administrative complaint, notice of violation, notice letter or instruction of any governmental authority or body, or executive, judicial or administrative order or directive.

Products Or Completed Operations

This insurance does not apply to any damages, loss, cost or expense arising out of any environmental incident taking place away from any insured site in connection with:

- A. your product; or
- B. your work.

Subparagraph A. above does not apply to Coverage F – Transported Cargo Liability.

Subparagraph B. above does not apply to Coverage E – Off Site Insured Operations Liability.

Specific Professional Services – Coverage E – Off Site Insured Operations Liability

With respect to Coverage E – Off Site Insured Operations Liability, this insurance does not apply to any damages, loss, cost or expense arising out of any rendering of or failure to render any specific professional service.

This exclusion applies regardless of whether or not such service, advice or instruction is ordinary to any insured's profession and regardless of whether or not a claim is made or suit is brought by any client or by any other person or organization.

Recall, Adjustment, Inspection Or Replacement – Coverage E – Off Site Insured Operations Liability

With respect to Coverage E – Off Site Insured Operations Liability, this insurance does not apply to any damages, loss, cost or expense incurred by any insured or others for any loss of use or any adjustment, disposal, inspection, recall, removal, repair, replacement or withdrawal of:

- your work; or
- property containing or incorporating your work;

regardless of whether any such adjustment, disposal, inspection, recall, removal, repair, replacement or withdrawal is performed by any insured or others.

Workers' Compensation Or Similar Laws

This insurance does not apply to any damages, loss, cost or expense arising out of any obligation of any insured under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

Extended Reporting Period

THE PROVISIONS SET FORTH IN THIS SECTION OF THIS CONTRACT APPLY ONLY TO CLAIMS-MADE AND REPORTED COVERAGES.

When The Extended Reporting Period Applies

We agree to provide an Extended Reporting Period, provided the first named insured purchases it from us, but only if this insurance (and all of its coverages) is canceled or not renewed for reasons other than nonpayment of premium.

No person or organization, other than the first named insured, has the right to purchase an Extended Reporting Period.

Only one Extended Reporting Period will be available, and it will be shared by all qualifying interests under this policy. No separate Extended Reporting Period will be provided to any specific person or organization.

How The Extended Reporting Period Applies

The Extended Reporting Period:

- A. applies only to claims for bodily injury, property damage, clean up costs or mold clean up costs:
 - 1. in connection with an environmental incident, to which this insurance applies, that commenced before the end of the policy period; and
 - 2. that are both first made and reported to us in writing during such Extended Reporting Period.
- B. does not:
 - 1. extend the policy period or change the scope of coverage to which this insurance applies.
 - 2. increase or reinstate the Limits Of Insurance.
 - 3. apply to any damages, loss, cost or expense covered under any other insurance, including any subsequent insurance you purchase.
- C. may not be canceled once in effect.
- D. is available only by an endorsement made a part of this insurance and for an additional premium, subject to the following provisions.

If purchased, the Extended Reporting Period begins with the end of the policy period and lasts no longer than 48 months. Claims that are both first made against any insured and reported to us in writing during an Extended Reporting Period will be deemed to have been made on the last day of the policy period.

The first named insured must give us a written request to purchase the Extended Reporting Period within 30 days after the end of the policy period. The Extended Reporting Period will not go into effect unless we receive the additional premium on or before the due date.

We will determine the additional premium for the endorsement for the Extended Reporting Period in accordance with our rates and rules. The additional premium will not exceed 200 percent of the full policy premium. The additional premium will be deemed fully earned at the beginning of the Extended Reporting Period.

The endorsement for the Extended Reporting Period will set forth any special terms and conditions, not inconsistent with this section, applicable to the Extended Reporting Period.

Environmental Liability Insurance

Conditions

Arbitration

We are entitled to exercise all of any insured's rights in the choice of arbitrators and in the conduct of any arbitration proceeding, except when the proceeding is between us and the insured.

Assignment Of Policy

The first named insured may assign this policy with our consent, which shall not be unreasonably withheld or delayed; however, no assignment shall bind us until we have issued an endorsement made a part of this insurance.

Bankruptcy

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

Cancellation

The first named insured may cancel this policy at any time by sending a written request to us or by returning this policy to us and stating when thereafter cancellation is to take effect.

We may cancel this policy for the following reasons:

- material misrepresentation by any insured;
- any insured's material failure to comply with the terms or conditions of this policy, including failure to pay any premium when due; or
- any change in use or change in operations from the use or operations disclosed to us by you in the application that materially increases a risk to which this insurance applies;

by sending to the first named insured a notice 60 days (20 days in the event of nonpayment of premium) in advance of the cancellation date. Notice of cancellation will be mailed to the first named insured's last known address and will indicate the date on which coverage is terminated. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

Earned premium will be computed on a pro rata basis. Any unearned premium will be returned as soon as practicable.

Compliance By Insureds

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with all of the terms and conditions of this policy.

Compliance With Applicable Trade Sanctions

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

Compulsory Insurance Or Financial Responsibility Laws Or Regulations

Unless we agree otherwise as evidenced by an endorsement made a part of this insurance, this insurance is not a substitute for any insurance, bond or other mechanism in connection with any compulsory insurance or financial responsibility law or regulation in any jurisdiction, regardless of whether this insurance would otherwise be accepted or qualify as any insurance, bond or other mechanism in connection with any compulsory insurance or financial responsibility law or regulation in any jurisdiction. Further, we do not consent to be a guarantor.

Conditions

(continued)

**Duties In The Event Of
Incidents Or Claims**

- A. You must see to it that we and any other insurers, in strict conformance with all of the time frames and requirements set forth in this insurance, are notified as soon as practicable of any environmental incident or claim if such environmental incident or claim may involve us or such other insurers. To the extent possible, notice must include:
1. how, when and where the environmental incident commenced.
 2. how and when the insured first became aware of the environmental incident or claim.
 3. how, when and where the environmental incident was first discovered by a responsible party.
 4. the names and addresses of any injured persons or organizations, any other persons or organizations which have made or may make claims and any witnesses.
 5. the nature and location of any injury, damage, cost or expense which has resulted or may result from the environmental incident or claim.
 6. all available engineering information concerning the environmental incident or claim and any other information that we deem reasonably necessary.

Notice of an environmental incident is not notice of a claim.

- B. If a claim is made against any insured, then you and any other involved insured must:
1. immediately record the specifics of the claim and the date received.
 2. immediately see to it that we receive copies of any demands, notices, summonses or legal papers received in connection with the claim.
 3. authorize us to obtain records and other information.
 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 loss to which this insurance may also apply.
- C. Any notice to us in connection with this condition must be in writing and mailed or delivered to either our Claim Department or:

Chubb & Son
A division of Federal Insurance Company
Claim Department
Environmental Claim Manager
15 Mountain View Road
Warren, NJ 07059
U.S.A.

**Duties In The Event Of
Potential Incidents**

THE PROVISIONS SET FORTH IN THIS CONDITION APPLY ONLY TO CLAIMS-
MADE AND REPORTED COVERAGES.

If, during the policy period, you first become aware of a potential incident and you see to it that we receive written notice of such potential incident during the policy period (in accordance with Duties In The Event Of Incidents Or Claims), then a claim in connection with the potential incident will be subject to the rules set forth in the provision titled Provisions Applicable To All Coverages.

Environmental Liability Insurance

Conditions

(continued)

Duties To Cooperate

You agree to cooperate with us and other insurers in the investigation of, defense against or settlement of any claim. Such cooperation includes: participating at meetings; testifying at hearings, depositions and trials; and securing evidence.

Duties To Report And Remediate Incidents

You must promptly report any environmental incident to the appropriate governmental authority in compliance with applicable environmental laws.

Further, you must take all actions necessary to comply with environmental laws or the recommendations of environmental professionals, including retaining competent contractors and other professionals. We have the right to review and approve any such actions.

Entire Agreement And Changes

This insurance:

- includes the various sections of this contract: Coverages; Investigation, Defense And Settlements; Supplementary Payments; Limits Of Insurance; Retentions And Waiting Periods; Exclusions; Extended Reporting Period; Conditions; and Definitions, as well as the Declarations and any Endorsements and Schedules made a part of this insurance.
- also includes the application.
- constitutes the entire agreement existing between you and us.
- can only be changed by an endorsement made a part of this insurance and signed by one of our authorized representatives.

First Named Insured

The first named insured is primarily responsible for the payment of all premiums and Self Insured Retentions and will act on behalf of all other insureds for the giving and receiving of notices, acceptance and receipt of any endorsements made a part of this insurance, the receipt of any return premiums that become payable under this policy and the exercise of any Extended Reporting Period.

Inspections Or Interviews

We may:

- make inspections or surveys at any time; and
- interview persons employed by any insured.

Any interviews, inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- are safe or healthful; or
- comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any other person or organization that conducts inspections or interviews for us.

Conditions
(continued)

Legal Action Against Us

No person or organization has a right under this insurance to:

- join us as a party or otherwise bring us into a suit against any insured; or
- sue us under this insurance unless all of its terms and conditions 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 obtained after an actual:

- trial in a civil proceeding; or
- arbitration or other alternative dispute resolution proceeding;

but we will not be liable for any damages, loss, cost or expense that are not payable under the terms and conditions of this insurance or that are in excess of the applicable Limits Of Insurance.

Mediation

If we and you jointly agree to utilize mediation as a means to resolve a claim made against the insured, and if such claim is resolved as a direct result of such mediation, then the amount of the applicable Self Insured Retention will be reduced by 50 percent (subject to a maximum reduction of \$25,000). We will reimburse the first named insured for the applicable Self Insured Retention payments (that qualify for reimbursement) made prior to the mediation as soon as practicable after the conclusion of the mediation.

Other Insurance

If valid and collectible other insurance is available to any insured or other qualifying interest (under this insurance) for loss we would otherwise cover under this insurance, then our obligations are limited as follows.

Primary Insurance

This insurance is primary, except to the extent that the Excess Insurance provision described below applies.

If this insurance is primary, then our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in the Method of Sharing provision below.

Excess Insurance

- A. This insurance is excess over any other insurance (whether primary, excess, contingent or on any other basis), including any other insurer's antecedent or replacement of this insurance or any such other insurance:
1. if the loss arises out of mold or specific biological substances.
 2. if the loss arises out of aircraft, autos, rolling stock, transported cargo or watercraft.
 3. if the loss arises out of any rendering of or failure to render any professional service, advice or instruction.
 4. under which any insured or other qualifying interest (under this insurance) is included as an insured or other qualifying interest under such other insurance.
 5. that is effective on or after the beginning of any extended reporting period provided by us or by an affiliate of ours.

Environmental Liability Insurance

Conditions

Other Insurance (continued)

- B. When this insurance is excess, we will:
1. have no duty to defend any insured against any suit if any insurer that provides other insurance has a duty to defend such insured against such suit. If no other insurer defends, then we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.
 2. pay only our share of the amount of loss, if any, that exceeds the sum of the total amounts:
 - a. that all other insurance would pay for loss in the absence of this insurance.
 - b. of all deductible, participation, retention and other self insured amounts (including any amounts allocated to and required to be paid by the insured) in connection with all other insurance.
- C. We will share by the method described in the Method Of Sharing provision below the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not negotiated specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

Method Of Sharing

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

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

Representations/ Concealment Or Misrepresentation

You represent that the information and statements disclosed to us by you in the application are true, accurate and complete.

Further, you agree that this insurance is provided in reliance on the truth, accuracy and completeness of such representations and statements and that such representations and statements are the basis of this policy and are material to our agreement to provide this insurance.

If you intentionally conceal or misrepresent any fact or circumstance material to our agreement to provide this insurance, then this insurance is void.

Separation Of Insureds

Except with respect to the Limits Of Insurance and any rights or duties specifically assigned to the first named insured, this insurance applies:

- as if each named insured were the only named insured; and
- separately to each insured against whom a claim is made.

Titles Of Paragraphs

The titles of the various paragraphs of this policy and endorsements, if any, attached to this policy are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

Conditions

(continued)

Transfer Of Rights Of Recovery

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the insured has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the insured's rights to recover all or part of any payment made under this insurance have not been waived, 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.

Voluntary Payments Or Settlements

Except for emergency expenses, no insured shall voluntarily enter into any settlement, make any payment or assume any obligation with respect to this insurance without our consent, which shall not be unreasonably withheld.

Environmental Liability Insurance

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

Agreed Settlement

Agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

Application

Application means the application and material submitted in connection with an application for this insurance or for a prior policy provided by us or an affiliate of ours of which this policy is a renewal or replacement.

Asbestos

Asbestos means asbestos in any form, including its presence or use in any alloy, by-product, compound or other material or waste.

Auto

Auto means:

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

Bodily Injury

Bodily injury means physical injury, sickness, disease, mental anguish, emotional distress or shock, sustained by a person, including death resulting therefrom.

Business Income

Business income:

A. means:

1. net profit or loss before income taxes (including rental income from tenants) that you would have earned or incurred had there been no business interruption at an insured site;
2. continuing normal operating and payroll expenses you incur;
3. charges you incur that are the legal obligation of your tenant which would otherwise be your obligations; and
4. costs you are required to pay to rent temporary premises when that portion of an insured site occupied by you is untenable, but not to exceed the fair rental value of such untenable portion of the building you occupy.

B. does not include any bank interest or investment income.

Business Interruption

Business interruption means necessary partial or complete suspension of your normal business operations at an insured site.

Definitions

(continued)

Business Interruption Expenses

Business interruption expenses means:

- business income; and
 - extra expenses;
- you incur during the period of interruption.

Claim

Claim means a demand or notice asserting liability or responsibility on the part of the insured.

Clean Up Costs

Clean up costs:

- A. means reasonable and necessary costs for neutralization, removal, remediation (including related monitoring and testing) or disposal of pollutants or specific biological substances to the extent:
 - 1. required by environmental laws;
 - 2. recommended by an environmental professional in the absence of applicable environmental laws; or
 - 3. incurred by a third party including a governmental authority.
- B. includes related:
 - 1. attorney and paralegal fees and expenses incurred with our consent;
 - 2. investigation costs, response costs and restoration costs; and
 - 3. civil fines, penalties or assessments.
- C. does not include any:
 - 1. costs, charges, expenses or fees for goods or services of any insured, unless incurred with our consent; or
 - 2. loss adjustment expenses.

Coverage Relationship

Coverage relationship means the period of time that lasts only until the later of the end of:

- A. the policy period of this insurance;
- B. the policy period of a subsequent, continuous renewal or replacement of this insurance that is provided by us or by an affiliate of ours to the first named insured; or
- C. any extended reporting period purchased under the insurance described in subparagraphs A. or B. above.

Damages

Damages:

- A. means:
 - 1. monetary awards or settlements of compensatory damages;
 - 2. punitive or exemplary damages or the multiple portion of a multiplied damages award, where allowed by law; and
 - 3. civil fines, penalties or assessments.

Environmental Liability Insurance

Definitions

Damages (continued)

- B. includes medical monitoring costs resulting from bodily injury that is physical:
1. injury;
 2. sickness; or
 3. disease;
- sustained by a person.

Emergency Expenses

Emergency expenses:

- means reasonable and necessary expenses incurred to respond to an imminent and substantial endangerment to public health, safety or welfare or to the environment.
- includes reasonable and necessary expenses for ambulance services and first aid administered at the time of an environmental incident.

Employee

Employee:

- includes a leased worker.
- does not include a temporary worker.

Environmental Incident

Environmental incident:

- A. means a pollution incident, mold incident or illicit abandonment.
- B. includes any:
1. related pollution incident, mold incident or illicit abandonment;
 2. series of continuous, repeated or related pollution incidents, mold incidents and illicit abandonments; and
 3. combination of any of the foregoing.

Environmental Laws

Environmental laws:

- means governmental laws, rules, regulations, ordinances, guidance documents and executive, judicial or administrative orders and directives applicable to an environmental incident.
- includes a voluntary cleanup program established pursuant to law or regulation.

Environmental Professional

Environmental professional means a person or organization certified, licensed or otherwise authorized by law or regulation in the applicable field of environmental science and approved by us.

Definitions

(continued)

Extra Expenses

Extra expenses means expenses:

- incurred by you that would not have been incurred had there been no business interruption; and
- that are reasonable and necessary to avoid, mitigate or minimize such business interruption;

but only to the extent such expenses actually reduce business income otherwise payable under this insurance.

Extra expenses will be reduced by any salvage value of property (obtained for temporary use during the period of interruption) that remains after the resumption of normal business operations.

First Named Insured

First named insured means the named insured first named in the Declarations.

Illicit Abandonment

Illicit abandonment means an unauthorized placement of pollutants or specific biological substances by persons or organizations other than any insured.

Indemnity Contract

Indemnity contract:

A. means:

1. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality; and
2. any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for such municipality) in which you assume the tort liability of another person or organization to pay damages for bodily injury or property damage, or clean up costs or mold clean up costs, to which this insurance applies, sustained by a third person or organization.

B. includes a contract or agreement that is designated in an endorsement titled Indemnity Contracts made a part of this insurance.

Insured

Insured:

A. means:

1. a named insured.
2. your directors, officers, partners, managers (if you are a limited liability company) or members (if you are a partnership, joint venture or limited liability company).
3. your employees while acting within the scope of their employment by you or while performing duties related to the conduct of your business.

Environmental Liability Insurance

Definitions

Insured (continued)

- B. with respect to Coverage E – Off Site Insured Operations Liability, includes a person or organization that is your client, but only if you are obligated pursuant to a written contract or agreement to provide them with such insurance as is afforded by this policy. However, such a person or organization is an insured only:
1. to the extent such contract or agreement requires the person or organization to be afforded status as an insured;
 2. for such activities that did not occur, in whole or in part, before the execution of the contract or agreement; and
 3. with respect to their liability for damages, loss, cost or expense to which this insurance applies.

With respect to subparagraph B. above, no such person or organization is an insured with respect to any assumption of liability (of another person or organization) by them in a contract or agreement. This limitation does not apply to the liability for damages for bodily injury or property damage or clean up costs or mold clean up costs, to which this insurance applies, that the person or organization would have in the absence of such contract or agreement.

However, no person or organization is an insured with respect to the conduct of any person or organization that is not shown as a Named Insured in the Declarations.

Insured Site

Insured site means a site described in the Declarations.

Lead Based Paint

Lead based paint means paint or coatings that contain lead in any form, including its presence or use in any alloy, by-product, compound or other material or waste.

Leased Worker

Leased worker:

- means a person leased to a party by a labor leasing firm, in a contract or agreement between such party and the labor leasing firm, to perform duties related to the conduct of the party's business.
- does not include a temporary worker.

Loading Or Unloading

Loading or unloading:

- A. means the handling of property:
1. after it is moved from the place where it is accepted for movement into or onto an aircraft, auto, rolling stock or watercraft;
 2. while it is in or on an aircraft, auto, rolling stock or watercraft; or
 3. while it is being moved from an aircraft, auto, rolling stock or watercraft to the place where it is finally delivered.
- B. 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, auto, rolling stock or watercraft.

Definitions

(continued)

Loss Adjustment Expenses

Loss adjustment expenses:

- A. means reasonable and necessary costs, charges and fees incurred in the investigation of, defense against or adjustment of a claim.
- B. includes:
 - 1. reasonable and necessary attorney and paralegal fees and expenses.
 - 2. prejudgment interest awarded against the insured on that part of a judgment we pay.
 - 3. other reasonable and necessary expenses that we allocate to a specific claim.
- C. does not include salaries or expenses of our employees or salaries or expenses of any insured's employees or directors, managers, members, officers, partners or workers (whether or not any of the foregoing is an employee).

Mediation

Mediation means an alternative non-binding dispute resolution process involving a neutral third party mediator.

Mold

Mold means:

- mildew, mold or other fungi; or
- mycotoxins, spores or other by-products of any of the foregoing.

As defined herein, mold does not include any pollutants or specific biological substances.

Mold Clean Up Costs

Mold clean up costs:

- A. means reasonable and necessary costs for neutralization, removal, remediation (including related monitoring and testing) or disposal of mold to the extent:
 - 1. required by environmental laws;
 - 2. recommended by an environmental professional in the absence of applicable environmental laws; or
 - 3. incurred by a third party including a governmental authority.
 - B. includes related:
 - 1. attorney and paralegal fees and expenses incurred with our consent;
 - 2. investigation costs, response costs and mold restoration costs; and
 - 3. civil fines, penalties or assessments.
 - C. does not include any:
 - 1. costs, charges, expenses or fees for goods or services of any insured, unless incurred with our consent; or
 - 2. loss adjustment expenses.
-

Environmental Liability Insurance

Definitions (continued)

Mold Incident

Mold incident means a presence of mold that is visible without magnification.

Mold Restoration Costs

Mold restoration costs:

- A. means reasonable and necessary costs incurred by you to repair or replace real or personal property to substantially the same condition it was in immediately prior to being damaged during activities set forth in the definition of mold clean up costs.
- B. does not include any:
 1. costs incurred by or on behalf of any insured:
 - a. associated with improvements or betterments;
 - b. in excess of repair or replacement costs that are required to comply with any law or regulation applicable to the repair or replacement of such property; or
 - c. in excess of the appraised market value of such property immediately prior to being damaged during activities set forth in the definition of mold clean up costs.
 2. costs, charges, expenses or fees for goods or services of any insured, unless incurred with our consent.

Named Insured

Named insured means:

- persons or organizations shown in the Declarations.
- a subsidiary organization of the first named insured of which, during the policy period and at the time of loss, such first named insured controls, either directly or indirectly, more than 50 percent of the interests entitled to vote generally in the election of the governing body of such organization.

Natural Resources

Natural resources means land, fish, wildlife, biota, air, water, groundwater, drinking water supplies and other such resources belonging to, managed by, held in trust by, appertaining to or otherwise controlled by the United States of America (including the resources of the fishery conservation zone established pursuant to the Magnuson-Stevens Fishery Conservation and Management Act [16 USCS §§ 1801 et seq.]), any state or local government, any foreign government, any Native American tribe, or, if such resources are subject to a trust restriction on alienation, any member of an Native American tribe.

Non-Owned Disposal Site

Non-owned disposal site means a waste site that is:

- used for the disposal of waste transported by you or on your behalf from an insured site or an off site insured operation;
 - neither owned nor operated by any insured; and
 - located in the United States of America (including its possessions and territories);
- provided that at the time such waste site accepted such waste, the waste site was:
- authorized to accept the waste;

Definitions

- Non-Owned Disposal Site** (continued)
- operating under the applicable permits, licenses and regulations of the applicable governmental authority; and
 - not listed on any proposed or final National Priorities List or any similar list of any governmental authority in any other jurisdiction.

-
- Off Site Insured Operations**
- Off site insured operations means the operations or work described in the Declarations that:
- are performed by you or on your behalf; and
 - take place away from any insured site.

-
- Other Insurance**
- Other insurance:
- A. means any insurance or bond affording coverage that this insurance would also afford.
 - B. includes any:
 1. type of deductible, self-insurance or other mechanism arranged for funding of loss.
 2. discovery period or extended reporting period available under any insurance, bond or other mechanism described above.
 3. reinstatement of limits or supplemental or other limits available under any insurance, bond or other mechanism described above.
 - C. does not include insurance negotiated specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

-
- Period Of Interruption**
- Period of interruption:
- means the period or time, beginning immediately after discovery of the pollution incident or illicit abandonment, reasonably necessary to resume or continue normal business operations at an insured site or a new permanent site.
 - does not include any increase in the length of time needed to resume your normal business operations caused by interference of employees or other persons.
 - ends when your normal business operations are resumed.

The expiration date of this policy will not reduce the period of interruption.

-
- Policy Period**
- Policy period means the Policy Period shown in the Declarations for the applicable coverage.

-
- Pollutants**
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.
- As defined herein, pollutants does not include any mold or specific biological substances.
-

Environmental Liability Insurance

Definitions

(continued)

Pollution Incident

Pollution incident means a discharge, dispersal, seepage, migration, release or escape of:

- pollutants; or
- specific biological substances;

into or upon land, a structure on land, the atmosphere or groundwater, a watercourse or other body of water.

Potential Incident

Potential incident means an environmental incident that would reasonably be expected to result in a claim to which this insurance applies.

Property Damage

Property damage means:

- A. physical injury to or destruction of natural resources and other tangible property, including resulting:
 1. loss of use of such natural resources and other tangible property.
 2. diminution in value of such natural resources and other tangible property, if located beyond the boundaries of any insured site.
- B. loss of use of natural resources and other tangible property that is not physically injured or destroyed.

Property damage does not include any clean up costs or mold clean up costs.

Responsible Party

Responsible party means your:

- directors, officers, partners, managers (if you are a limited liability company) or members (if you are a partnership, joint venture or limited liability company);
- managers of an insured site; or
- managers or supervisors responsible for environmental affairs, control or compliance.

Restoration Costs

Restoration costs:

- A. means reasonable and necessary costs incurred by you to repair or replace real or personal property to substantially the same condition it was in immediately prior to being damaged during activities set forth in the definition of clean up costs.
- B. does not include any:
 1. costs incurred by or on behalf of any insured:
 - a. associated with improvements or betterments;
 - b. in excess of repair or replacement costs that are required to comply with any law or regulation applicable to the repair or replacement of such property; or
 - c. in excess of the appraised market value of such property immediately prior to being damaged during activities set forth in the definition of clean up costs.

Definitions

Restoration Costs (continued)

2. costs, charges, expenses or fees for goods or services of any insured, unless incurred with our consent.

Specific Biological Substances

Specific biological substances means:

- A.
 1. bacteria;
 2. other microorganisms; or
 3. spores or other by-products of any of the foregoing;
- B. viruses or other pathogens (whether or not microorganisms); or
- C. colonies or groups of any of the foregoing.

As defined herein, specific biological substances does not include any mold or pollutants.

Specific Professional Services

Specific professional services means any of the following service, advice or instruction:

- appraisal, inspection or survey.
- architecture, engineering or surveying.
- legal.
- real estate agent or broker.

Temporary Worker

Temporary worker means a person who is furnished to a party to substitute for a permanent employee on leave or to meet seasonable or short-term workload conditions.

Transported Cargo

Transported cargo means materials, products or waste:

- after being moved from the place where it is accepted for movement into or onto an aircraft, auto, rolling stock or watercraft;
- while in or on an aircraft, auto, rolling stock or watercraft; or
- while being moved from an aircraft, auto, rolling stock or watercraft to the place of final delivery.

Underground Storage Tank

Underground storage tank:

- A. means any tank (including associated underground piping connected to such tank) in existence as of the beginning of the policy period or installed thereafter, that has at least 10 percent of its volume below ground.
- B. does not include a:
 1. septic tank, sump pump or oil/water separator;
 2. tank that is enclosed within a basement, cellar, shaft or tunnel if such tank is upon or above the surface of the floor; or
 3. storm-water or wastewater collection system.

Environmental Liability Insurance

Definitions (continued)

Waste Waste includes material to be recycled, reconditioned or reclaimed.

Waste Site Waste site means a particular part of a site which is licensed by a governmental authority for the disposal, storage or treatment of waste.

Your Product Your product:

A. means any:

1. 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 assets or business you have acquired; and
2. containers (other than vehicles), equipment, materials or parts furnished in connection with such goods or products.

B. includes:

1. representations or warranties made at any time with respect to the durability, fitness, performance, quality or use of your product; and
2. the providing of or failure to provide instructions or warnings in connection with your product.

Your Work Your work:

A. means any:

1. operations or work performed by:
 - a. you or on your behalf; or
 - b. a person or organization whose assets or business you have acquired; and
2. equipment, materials or parts furnished in connection with such operations or work.

B. includes:

1. representations or warranties made at any time with respect to the durability, fitness, performance, quality or use of your work; and
2. the providing of or failure to provide instructions or warnings in connection with your work.



Environmental Liability Insurance

Endorsement 1

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Conditions, the condition titled Cancellation is deleted and replaced by the following.

Conditions

Cancellation, Including 100% Minimum Earned Premium

The first named insured may cancel this policy at any time by sending a written request to us or by returning this policy to us and stating when thereafter cancellation is to take effect.

We may cancel this policy for the following reasons:

- material misrepresentation by any insured;
- any insured's material failure to comply with the terms or conditions of this policy, including failure to pay any premium when due; or
- any change in use or change in operations from the uses or operations disclosed to us by you in the application that materially increases a risk to which this insurance applies;

by sending to the first named insured a notice 60 days (20 days in the event of non-payment of premium) in advance of the cancellation date. Notice of cancellation will be mailed to the first named insured's last known address and will indicate the date on which coverage is terminated. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

The premium will be 100 percent earned as of the first day of the policy period.

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 2

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Conditions, the following condition is added.

Conditions

Notice Of Cancellation To Scheduled Persons Or Organizations When We Cancel

When we cancel this policy we will notify the persons or organizations shown in the Schedule at least 60 days (20 days in the event of nonpayment of premium) in advance of the cancellation date.

Any failure by us to notify such persons or organizations will not:

- impose any liability or obligation of any kind upon us; or
- invalidate such cancellation.

SCHEDULE

Persons Or Organizations:

Fort Ord Reuse Authority (FORA)

County of Monterey

Addresses:

Michael A. Houlemard, Jr., Executive Officer
Fort Ord Reuse Authority
920 2nd Avenue, Suite A
Marina, CA 93933

Steve Mauck, Risk Manager
County of Monterey
168 West Alisal Street, 3rd Floor
Salinas, CA 93901

City of Seaside	John Dunn, City Manager City of Seaside City Manager's Office 440 Harcourt Avenue Seaside, CA 93955
City of Marina	Layne Long, City Manager City of Marina 211 Hillcrest Avenue Marina, CA 93933
City of Monterey	Mike McCarthy, City Manager City Manager's Office, City Hall, City of Monterey 580 Pacific Street Monterey, CA 93940
Monterey Peninsula College	Walter Tribley, President/Superintendent Administration Building Monterey Peninsula College 980 Fremont Street Monterey, CA 93940
Transportation Agency for Monterey County	Debbie Hale, Executive Director Transportation Agency for Monterey County 55-B Plaza Circle Salinas, CA 93901
Monterey-Salinas Transit	Carl Sedoryk, General Manager/CEO Monterey-Salinas Transit One Ryan Ranch Road Monterey, CA 93940

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 3

Definitions - Clean Up Costs - Required By Environmental Laws

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY

Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Definitions, the definition titled Clean Up Costs is deleted and replaced by the following.

Definitions

Clean Up Costs – Required By Environmental Laws

Clean up costs:

- A. means reasonable and necessary costs for neutralization, removal, remediation (including related monitoring and testing) or disposal of pollutants or specific biological substances to the extent:
 - 1. required by a governmental authority pursuant to environmental laws;
 - 2. recommended by an environmental professional in the absence of applicable environmental laws; or
 - 3. incurred by a governmental authority.
- B. includes related:
 - 1. attorney and paralegal fees and expenses incurred with our consent;
 - 2. investigation costs, response costs and restoration costs; and
 - 3. civil fines, penalties or assessments.
- C. does not include any:
 - 1. costs, charges, expenses or fees for goods or services of any insured, unless incurred with our consent; or

Definitions

*Clean Up Costs –
Required By
Environmental Laws
(continued)*

2. loss adjustment expenses.

Government authority does not include any governmental authority listed in the Schedule.

Schedule

Governmental Authority:

1. Fort Ord Reuse Authority
2. County of Monterey
3. Successor Agency to the Redevelopment Agency of the County of Monterey
4. City of Marina
5. City of Seaside
6. City of Monterey
7. Monterey Peninsula College
8. Transportation Agency for Monterey County
9. Monterey – Salinas Transit

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 4

Definition of Environmental Laws

<i>Policy Period</i>	December 31, 2014	To	December 31, 2024
<i>Effective Date</i>	December 31, 2014		
<i>Policy Number</i>	37314351		
<i>Insured</i>	FORT ORD REUSE AUTHORITY		
<i>Name of Company</i>	Chubb Custom Insurance Company		
<i>Date Issued</i>	December 15, 2014		

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Definitions, the definition of Environmental Laws is deleted and replaced with the following.

Environmental Laws

Environmental laws means:

- governmental laws, rules, regulations, ordinances, guidance documents and executive, judicial or administrative orders and directives applicable to an environmental incident.
 - includes a voluntary cleanup program established pursuant to law or regulation, but only to the extent of the measures or standards applicable to any use restrictions in a deed in effect at the time of the inception date of this policy.
-

All other terms and conditions remain unchanged.

Authorized Representative

A handwritten signature in black ink, appearing to be "P. M. 2", written over a horizontal line.

Environmental Liability Insurance

Endorsement 5

Definition of Pollution Incident to Include MEC

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY

Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Definitions, the definition of Pollution Incident is deleted and replaced with the following.

Pollution Incident

Pollution incident means a discharge, dispersal, seepage, migration, release or escape of:

- pollutants; or
- specific biological substances;

into or upon land, a structure on land, the atmosphere or groundwater, a watercourse or other body of water.

Pollution incident includes the presence of munitions and explosives of concern.

Under Definitions, the following definition is added.

**Munitions And
Explosives Of Concern**

Munitions and explosives of concern means any:

- unexploded ordnance;
- discarded military munitions; or
- munitions constituents.

As used herein discarded military munitions and munitions constituents have the meanings given them in 10 U.S.C. Section 2710 or in any law amendatory thereof and unexploded ordnance has the meaning given it in 10 U.S.C. Section 101 (e)(5) or in any law amendatory thereof.

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 6

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY

Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Exclusions, the exclusion titled Asbestos is deleted and replaced by the following.

Exclusions

Asbestos, Silica Or Similar Compounds, Including Mixed Dust

- A. With respect to all coverages under this contract, this insurance does not apply to any damages, loss, cost or expense arising, in whole or in part, out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of:
1. asbestos;
 2. silica; or
 3. mixed dust.
- B. With respect to all coverages under this contract, this insurance does not apply to any damages, loss, cost or expense arising, in whole or in part, out of any:
1. demand, order, request or regulatory or statutory 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; or
 2. claim or proceeding by or on behalf of a governmental authority or others for any damages, loss, cost or expense because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing;
the effects of:
 - asbestos;
 - silica; or
 - mixed dust.
-

Under Definitions, the following definitions are added.

Definitions

Mixed Dust

Mixed dust means any combination or mixture of asbestos or silica and any other dust, fibers or particles, in any form, including any presence or use in any alloy, by-product, compound or other material or waste.

Silica

Silica means silica in any form (including silicates or other similar silicon compounds), including its presence or use in any alloy, by-product, compound or other material or waste.

All other terms and conditions remain unchanged.

Authorized Representative

A handwritten signature in black ink, appearing to be "P. H. W.", written over a horizontal line.

Environmental Liability Insurance

Endorsement 7

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY

Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Exclusions the following exclusion is added.

Exclusions

Failure To Maintain Engineering Or Institutional Controls

With respect to all coverages under this contract, this insurance does not apply to any damages, loss, cost or expense arising out of any failure to maintain any engineering controls, institutional controls or deed restrictions at any insured site as specifically set forth in any:

- Remedial Action Plans, No Further Action documents, Covenant Not To Sue documents or similar regulatory decisions or response action documents from any applicable governmental authority or licensed site professional; or
 - documents shown in the Schedule.
-

SCHEDULE

Documents:

All deed restrictions that apply to any of the insured sites including those used in the transfer of FOST and or any other parcel(s).

All other terms and conditions remain unchanged.

Authorized Representative

A handwritten signature in black ink, appearing to be "P. M. S.", written over a horizontal line.

Environmental Liability Insurance

Endorsement 8

Policy Period December 31, 2014 To December 31, 2024

Effective Date December 31, 2014

Policy Number 37314351

Insured FORT ORD REUSE AUTHORITY

Name of Company

Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Exclusions, the following exclusion is added.

Exclusions

**Identified Contaminants
At Insured Sites,
Scheduled**

With respect to all coverages under this contract, this insurance does not apply to any damages, loss, cost or expense arising out of any pollutants or specific biological substances (including their degradation products) shown in the Schedule at the insured sites shown in the Schedule.

SCHEDULE

Insured Sites:

All Parcels

Contamination:

- Pollutants related groundwater impacts associated with any currently ongoing remediation.
- Pollutants related to known groundwater impacts associated with OU-1
- Pollutants related to known groundwater impacts associated with OU-2
- Pollutants related to known groundwater impacts associated with Del Ray Oaks parcels

-
- Pollutants related to known groundwater impacts associated with ESCA parcels
 - Pollutants related to known groundwater impacts associated with the Marina Equestrian Center Parcels
 - Pollutants related to known groundwater impacts associated with FOSET 2 parcels
 - Pollutants related to known groundwater impacts associated with FOST 6 parcels
 - Pollutants related to known groundwater impacts associated with Tract 0 parcels
 - Pollutants related to known groundwater impacts associated with UCSC parcels
 - Pollutants related to known groundwater impacts associated with IRP sites 2/12
 - Pollutants in soil or groundwater related to SWMU FTO-007 and SWMU FTO-060 Located in Parcel E2b.2.1 and RI Site 12.
 - Pollutants in soil or groundwater related to SWMU FTO-062 located in Parcel L5.8.2 and RI Site 16
 - Pollutants in soil or groundwater related to SWMU FTO-065 located in Parcel S1.5.1.2 and RI Site 17
 - Pollutants discovered during investigations undertaken as the result of "ARMY's right to conduct remediation activities"
 - Pollutants related to Category 5 parcels, as identified in the July 2004 Finding of Suitability for Early Transfer (FOSET) document, where cleanup is ongoing or where contamination that requires cleanup is known.
 - MRS-32A
 - Range 30A

- Ranges 43-48, however this exclusion does not apply to the presence of sensitively-fuzed MEC on Range 44 SCA (South), Range 44 SCA (North), or Range 47 SCA.
- Arising from pollution related to “Army Obligations” as defined in the ESCA
- Research Department Explosive (RDX), 2,4,6-Trinitrotoluene (TNT), High Melting Explosive (HMX, 2A-Dinitrotoluene (DNT), 4A-DNT, 2,4-DNT, or perchlorate in groundwater.
- Pollution arising from petroleum hydrocarbons or historic hazardous waste storage at parcels E18.2.1, E
- Petroleum hydrocarbons and lead in soil and groundwater related to parcels L23.3.2.1, L23.4, or S1.1.1.
- Petroleum hydrocarbons or VOCs/SVOCs in groundwater and soil related to parcel E8a.1.2

All other terms and conditions remain unchanged.

Authorized Representative

A handwritten signature in black ink, appearing to read "P. M. '02", is written above a horizontal line.

Environmental Liability Insurance

Endorsement 9

Exclusion - Mold Incidents At Buildings Without Certificates of Discovery

Policy Period December 31, 2014 To December 31, 2024

Effective Date December 31, 2014

Policy Number 37314351

Insured FORT ORD REUSE AUTHORITY

Name of Company Chubb Custom Insurance Company

Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Exclusions, the following exclusion is added.

Mold Incidents At Buildings Without Certificates of Occupancy

This insurance does not apply to any damages, loss, cost or expenses arising out of any mold incident at any building or structure on any insured site that does not have a certificate of occupancy as of the date such mold incident is first discovered in whole or in part.

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 10

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Exclusions, the following exclusion is added.

Exclusions

Nuclear Energy

With respect to all coverages under this contract, this insurance does not apply to any damages, loss, cost or expense:

- A. with respect to which any insured under this policy also has status as an insured (or is entitled to indemnity) under a nuclear energy liability policy issued by:
 - 1. American Nuclear Insurers, Mutual Atomic Energy Liability Underwriters, Nuclear Energy Liability Insurance Association, Nuclear Insurance Association of Canada or any of their antecedents or successors; or
 - 2. any similar insurer anywhere in the world;or would have had status as an insured or would have been entitled to indemnity under any such policy but for its termination upon exhaustion of its limit of insurance.
- B. arising out of the nuclear hazardous properties of nuclear or radioactive material and with respect to which any:
 - 1. person or organization is required to maintain financial protection pursuant to the United States of America Atomic Energy Act of 1954 or any law amendatory thereof or any similar law in any jurisdiction; or
 - 2. insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof or any other governmental authority in any jurisdiction under any agreement entered into by such governmental authority with any person or organization.

Exclusions

Nuclear Energy (continued)

- C. arising out of the nuclear hazardous properties of nuclear or radioactive material:
1. if the nuclear or radioactive material:
 - a. is at any nuclear facility owned by, or operated by or on behalf of, any insured;
 - b. has been discharged or dispersed therefrom; or
 - c. is contained in nuclear spent fuel or nuclear waste at any time disposed of, handled, possessed, processed, stored, transported, treated or used by or on behalf of any insured; or
 2. in any way related to the furnishing by any insured of equipment, materials, parts or services in connection with the construction, maintenance, operation, planning or use of any nuclear facility.

But, if such facility is located within the United States of America (including its possessions or territories), this subparagraph C.2 applies only to property damage to such nuclear facility and any property thereat.

As used in connection with this exclusion, property damage includes all forms of radioactive contamination of property.

Under Definitions, the following definitions are added.

Definitions

Nuclear Facility

Nuclear facility means any:

- A. nuclear reactor;
- B. device or equipment designed or used for:
 1. handling, packaging or processing nuclear waste;
 2. processing or utilizing nuclear spent fuel; or
 3. separating the isotopes of plutonium or uranium;
- C. device or equipment used for the alloying, fabricating or processing of nuclear or radioactive material, if at any time the total amount of such material in the custody of the insured at the premises where such device or equipment is located consists of or contains more than:
 1. twenty five grams of plutonium or uranium 233 or any combination thereof; or
 2. two hundred fifty grams of uranium 235; or
- D. basin, excavation, place, premises or structure prepared or used for the disposal or storage of nuclear waste;

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

Definitions
(continued)

Nuclear Hazardous Properties

Nuclear hazardous properties includes explosive, radioactive or toxic properties.

Nuclear Or Radioactive Material

Nuclear or radioactive material means any:

- by-product material, source material or special nuclear material; or
- other solid, liquid or gaseous substance that emits radiation;

including its presence or use in any alloy, by-product, compound or other material or waste.

As used herein by-product material, source material and special nuclear material have the meanings given them in the United States of America Atomic Energy Act of 1954 or in any law amendatory thereof or in any similar applicable law in any jurisdiction.

Nuclear Reactor

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

Nuclear Spent Fuel

Nuclear spent fuel means any fuel element or fuel component, liquid or solid, that has been exposed to radiation or used in a nuclear reactor.

Nuclear Waste

Nuclear waste means any waste material:

- containing nuclear or radioactive material, other than the tailings or wastes produced by the concentration or extraction of thorium or uranium from any ore processed primarily for its source material content; and
- resulting from the operation by any person or organization of any nuclear facility described in subparagraphs A. or B. of the definition of nuclear facility.

As used herein, source material has the meaning given it in the United States of America Atomic Energy Act of 1954 or in any law amendatory thereof or in any similar applicable law in any jurisdiction.

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 11

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

A new section titled Terrorism Provisions is added to the end of this contract.

Terrorism Provisions

Certified Act Of Terrorism Exclusion

This insurance does not apply to any damages, loss, cost or expense arising, directly or indirectly, out of a certified act of terrorism.

Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy.

A new section titled Terrorism Definitions is added.

Terrorism Definitions

Certified Act Of Terrorism

Certified act of terrorism means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act:

- A. of terrorism, a violent act or an act that is dangerous to human life, property or infrastructure; and
- B. that results in damage:
 - 1. within the United States; or
 - 2. outside of the United States in the case of:
 - a. an air carrier or vessel as described in the terrorism law; or

Terrorism Definitions**Certified Act Of Terrorism
(continued)**

b. the premises of a mission of the United States of America,
which was committed by an individual or individuals as part of an effort to:

- coerce the civilian population; or
- influence the policy or affect the conduct of the Government,
of the United States.

Certified act of terrorism does not include an act that:

- is committed as part of the course of a war declared by the Congress of the United States; or
- does not result in property and casualty insurance losses that exceed \$5 million in the aggregate and are attributable to all types of insurance subject to the terrorism law.

State

State means any state of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the United States Virgin Islands, and any territory or possession of the United States of America.

Terrorism Law

Terrorism law means the Terrorism Risk Insurance Act of 2002 (Pub.L.107-297) as amended by the Terrorism Risk Insurance Extension Act of 2005 (Pub.L.109-144) and the Terrorism Risk Insurance Program Reauthorization Act of 2007 (Pub.L.110-160).

United States

United States means:

- a state; and
- the territorial sea and the continental shelf of the United States of America, as described in the terrorism law.

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 12

Exclusion - Total Lead Based Paint

<i>Policy Period</i>	December 31, 2014	To	December 31, 2024
<i>Effective Date</i>	December 31, 2014		
<i>Policy Number</i>	37314351		
<i>Insured</i>	FORT ORD REUSE AUTHORITY		
<i>Name of Company</i>	Chubb Custom Insurance Company		
<i>Date Issued</i>	December 15, 2014		

This Endorsement applies to the following forms:

Environmental Liability Insurance

With respect only to the Coverages and insured sites shown in the Schedule, the exclusion titled Lead Based Paint is deleted and replaced by the following.

Exclusions

Lead Based Paint – Total For Scheduled Coverages At Scheduled Sites

This insurance does not apply to any damages, loss, cost or expense arising out of any actual, alleged or threatened:

- contaminative, pathogenic, toxic or other hazardous properties of lead based paint in, on or emanating from any building, fixture or other structure.
- demand, order, request or regulatory or statutory 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 lead based paint in, on or emanating from any building, fixture or other structure.
- claim or proceeding by or on behalf of a governmental authority or others for any damages, loss, cost or expense because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead based paint in, on or emanating from any building, fixture or other structure.

Exclusions
(continued)

SCHEDULE

Coverages: All Coverages

Insured Sites: All Sites

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 13

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Indemnity Contracts

SCHEDULE

Indemnity Contracts:

1. Administrative Order On Consent For Cleanup Of Portions Of The Former Fort Ord, U.S. EPA Region 9 CERCLA Docket No. R9-2007-03.
Sent to Chubb from Marsh via email on 11/17/2014
2. Cooperative Agreement Award, Agreement No: W9128F-07-2-0162,
Effective Date: March 30, 2007, PR NO(S): W59XQ870879961.
Sent to Chubb from Marsh via email on 11/17/2014.
3. Fort Ord Remediation Services Agreement. Between Fort Ord Reuse Authority and LFR Inc. Executed March 28, 2007.
Sent to Chubb from Marsh via email on 11/17/2014.

All other terms and conditions remain unchanged.

Authorized Representative

A handwritten signature in black ink, appearing to be "P. M. Q.", written over a horizontal line.

Environmental Liability Insurance

Endorsement 14

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Definitions, the definition titled Insured is deleted and replaced by the following.

Definitions

Insured, Including Scheduled Person Or Organization

Insured:

A. means:

1. named insureds.
2. your directors, officers, partners, managers (if you are a limited liability company) or members (if you are a partnership, joint venture or limited liability company).
3. your employees while acting within the scope of their employment by you or while performing duties related to the conduct of your business.

B. with respect to Coverage E – Off Site Insured Operations Liability, includes a person or organization that is your client, but only if you are obligated pursuant to a written contract or agreement to provide them with such insurance as is afforded by this policy. However, such a person or organization is an insured only:

1. to the extent such contract or agreement requires the person or organization to be afforded status as an insured;
2. for such activities that did not occur, in whole or in part, before the execution of the contract or agreement; and
3. with respect to their liability for damages, loss, cost or expense to which this insurance applies.

C. includes the person or organization shown in the Schedule but only with respect to such person or organization's liability arising out of the **named insured's** ownership, operation, maintenance or use of an insured site.

Definitions***Insured, Including
Scheduled Person Or
Organization***

With respect to subparagraph B. above, no such person or organization is an insured with respect to any assumption of liability (of another person or organization) by them in a contract or agreement. This limitation does not apply to the liability for damages for bodily injury or property damage or clean up costs or mold clean up costs, to which this insurance applies, that the person or organization would have in the absence of such contract or agreement.

However, no person or organization is an insured with respect to the conduct of any person or organization that is not shown as a Named Insured in the Declarations.

SCHEDULE

Person Or Organization:

- Orosco Development No. 20
- As required by written contract or agreement executed prior to loss.

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 15

Limits of Insurance - Scheduled Site Aggregate Limit

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

With respect to the insureds shown in the Schedule, under Limits Of Insurance, the following provision is added.

Limits Of Insurance

Per Named Insured Aggregate Limit

Subject to the Each Incident Limit and the Policy Aggregate Limit, the most we will pay for the sum of all amounts described as reducing the Limits Of Insurance in the provision titled Payments That Reduce The Limits Of Insurance for each named insured shown in the Schedule is the amount of the Per Named Insured Aggregate Limit shown in the Schedule next to the name of such named insured.

This Per Named Insured Aggregate Limit is part of, not in addition to, the Each Incident Limit and the Policy Aggregate Limit.

Any such sum we pay will reduce the amount of the Per Named Insured Aggregate Limit and any other applicable limit. The remaining amount of any such limit is the most that will be available for any other payment.

If any other applicable limit has been reduced to an amount that is less than this Per Named Insured Aggregate Limit, then the remaining amount of such other applicable limit is the most that will be available for any other payment.

The Per Named Insured Aggregate Limit may be assigned by one named insured shown in the Schedule to another named insured shown in the Schedule with our consent, which will not be unreasonably withheld, but only if:

-
1. such limit is not used up by payments and there is over \$1,000,000 remaining;
 2. there are no claims pending against the named insured that is assigning the limit and there are no known environmental incidents that would reasonably be expected to result in any payments under this insurance;
 3. we receive a statement from the named insured that is assigning the limit that there are no known environmental incidents or claims in connection with the insured site and that such named insured acknowledges and agrees that reducing the available limit means that there would be less limit available to satisfy a claim or pay for an environmental incident;
 4. the named insured assigning such limit may assign all remaining available limits above \$1,000,000.
 5. there are no pending claims against the named insured accepting the assignment or environmental incidents that this insurance is responding to on behalf of such named insured; and
 6. we receive a statement from the named insured that is accepting the assignment of limits that there are no known environmental incidents or claims in connection with the insured site accepting the assignment

**Limits Of
Insurance**
(continued)

SCHEDULE

<u>Named Insured</u>	<u>Per Insured Aggregate Limit</u>
FORA (First-Named Insured)	\$11,000,000
County of Monterey / Successor Agency to the Redevelopment Agency of the County of Monterey.	\$20,000,000
City of Seaside	\$5,000,000
City of Marina	\$1,000,000
City of Monterey	\$5,000,000
Monterey Peninsula College	\$5,000,000
Transportation Agency for Monterey County	\$2,000,000
Monterey-Salinas Transit	\$1,000,000

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 16

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Under Conditions, the condition titled Other Insurance is deleted and replaced by the following.

Conditions

***Other Insurance – Excess
Over Scheduled
Indemnification
Agreement, Unless
Indemnitor Insolvent***

If valid and collectible other insurance is available to any insured or other qualifying interest (under this insurance) for loss we would otherwise cover under this insurance, then our obligations are limited as follows.

Primary Insurance

This insurance is primary, except to the extent that the Excess Insurance provision described below applies.

Excess Insurance

A. This insurance is excess over:

1. any other insurance (whether primary, excess, contingent or on any other basis), including any other insurer's antecedent or replacement of this insurance or any such other insurance:
 - a. if the loss arises out of mold or specific biological substances.
 - b. if the loss arises out of aircraft, autos, rolling stock, transported cargo or watercraft.
 - c. if the loss arises out of any rendering of or failure to render any professional service, advice or instruction.
 - d. under which any insured or other qualifying interest (under this insurance) is included as an insured or other qualifying interest under such other insurance.

Conditions

*Other Insurance – Excess
Over Scheduled
Indemnification
Agreement, Unless
Indemnitor Insolvent
(continued)*

- e. that is effective on or after the beginning of any extended reporting period provided by us or by an affiliate of ours.
2. the indemnification agreement shown in the Schedule, if:
 - a. such agreement applies to the loss; and
 - b. the indemnitor under the indemnification agreement has not been declared insolvent by a court of competent jurisdiction.
- B. When this insurance is excess, we will:
 1. have no duty to defend any insured against any suit if any insurer that provides other insurance has a duty to defend such insured against such suit. If no other insurer defends, then we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.
 2. pay only our share of the amount of loss, if any, that exceeds the sum of the total amounts:
 - a. that all other insurance would pay for loss in the absence of this insurance.
 - b. of all deductible, participation, retention and other self insured amounts (including any amounts allocated to and required to be paid by the insured) in connection with all other insurance.
- C. We will share by the method described in the Method Of Sharing provision below the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not negotiated specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

Method Of Sharing

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

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

Conditions
(continued)

SCHEDULE

Indemnification Agreement:

Former Fort Ord Pollution Legal Liability Select Clean-Up Cost Cap
Policy #EPP 7782507

Parties To Agreement:

AIG and FORA

Date Of Agreement: 3/30/2007

All other terms and conditions remain unchanged.

Authorized Representative

A handwritten signature in black ink, appearing to be "P. M. Q.", written over a horizontal line.

Environmental Liability Insurance

Endorsement 17

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

When This Endorsement Applies

The provisions of this endorsement will become applicable only if and only on the date when any one of the following first occurs:

- the Terrorism Risk Insurance Program ("Program"), established by the terrorism law, has terminated with respect to the type of insurance provided under this contract;
- a renewal, extension or continuation of the Program has become effective without a requirement to make terrorism insurance available to you under this contract; or
- the terrorism law has been replaced with a different law that redefines terrorism or makes insurance for terrorism losses subject to provisions or requirements that differ from those that apply to other types of losses under this contract.

The section titled Terrorism Provisions is deleted and replaced with the following:

Terrorism Provisions

Terrorism Exclusion

This insurance does not apply to any damages, loss, cost or expense arising, directly or indirectly, out of:

- terrorism; or
- action in hindering or defending against an actual or expected incident of terrorism.

Terrorism Provisions

Terrorism Exclusion (continued)

Except as provided for above, this Terrorism exclusion will only apply to an incident of terrorism in which:

- A. the total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include 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. 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
- B. fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - 1. physical injury that involves a substantial risk of death; or
 - 2. protracted and obvious physical disfigurement; or
 - 3. protracted loss of or impairment of the function of a bodily member or organ; or
- C. 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
- D. the terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- E. pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

Paragraphs A. and B. immediately preceding, describe the thresholds used to measure the magnitude of an incident of terrorism and the circumstances in which the threshold will apply for the purpose of determining whether the Terrorism Exclusion will apply to that incident.

When the Terrorism Exclusion applies to an incident of terrorism, there is no coverage under this contract. In the event of any incident of terrorism that is not subject to the Terrorism Exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this contract. Multiple incidents 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.

The section titled Terrorism Definitions is deleted and replaced with the following:

Terrorism Definitions

Terrorism

Terrorism means activities against persons, organizations or property of any nature:

- A. that involve the following or preparation for the following:
 - 1. use or threat of force or violence;
 - 2. commission or threat of a dangerous act; or
 - 3. commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and

Environmental Liability Insurance

Endorsement 17

Effective Date December 31, 2014

Policy Number 37314351

Terrorism Definitions

Terrorism
(continued)

- B. when one or both of the following applies:
1. the effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 2. it appears from the standpoint of a reasonable person that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

Terrorism Law

Terrorism law means the Terrorism Risk Insurance Act of 2002 (Pub.L.107-297) as amended by the Terrorism Risk Insurance Extension Act of 2005 (Pub.L.109-144) and the Terrorism Risk Insurance Program Reauthorization Act of 2007 (Pub.L.110-160).

All other terms and conditions remain unchanged.

Authorized Representative



Environmental Liability Insurance

Endorsement 18

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Declarations

The Insured Sites shown in the Declarations is amended to include the insured sites shown in the Schedule.

SCHEDULE

Insured Sites And Addresses:

Includes the parcels listed in the table below as shown in the map titled "Proposed PLL Insurance Parcels on the former Fort Ord Monterey County, California" sent to Chubb from Marsh via email on 11/18/2014.

E15.1	E2e.2	L20.12	L37
E11a	E31a	L20.13.1.1	L4.1
E11a.1	E31b	L20.13.1.2	L4.2
E11b.1	E31c	L20.13.2	L5.1
E11b.2	E34	L20.13.3.1	L5.1.1
E11b.3	E36	L20.13.3.2	L5.1.1.1
E11b.4	E37	L20.13.4	L5.1.10
E11b.6.1	E38	L20.13.5	L5.1.11
E11b.6.2	E39	L20.14.1.1	L5.1.12
E11b.6.3	E4.1.1	L20.14.1.2	L5.1.2
E11b.7.1.1	E4.1.2.1	L20.14.2	L5.1.3

E11b.7.1.2	E4.1.2.2	L20.15	L5.1.4
E11b.7.2	E4.1.2.3	L20.16.1	L5.1.5
E11b.8	E4.2	L20.16.2	L5.1.6
E15.2	E4.3.1.1	L20.16.3	L5.1.7
E17	E4.3.1.2	L20.17.1	L5.1.8
E18.1.1	E4.3.2.1	L20.17.2	L5.1.9
E18.1.2	E4.3.2.2	L20.18	L5.10.1
E18.1.3	E4.4	L20.19.1.1	L5.10.2
E18.2.1	E4.5	L20.19.1.2	L5.2
E18.2.2	E4.6.1	L20.19.2	L5.3
E18.3	E4.6.2	L20.2.1	L5.4.1
E18.4	E4.7.1	L20.2.2	L5.4.2
E19a.1	E4.7.2	L20.2.3.1	L5.4.3
E19a.2	E40	L20.20	L5.5.1
E19a.3	E41	L20.21.1	L5.5.2
E19a.4	E42	L20.21.2	L5.6.1
E19a.5	E5a.1	L20.22	L5.6.2
E20b	E5a.2	L20.3.1	L5.7
E20c.1	E5b	L20.3.2	L5.8.1
E20c.1.1.1	E8a.1.1.1	L20.5.1	L5.8.2
E20c.1.2	E8a.1.1.2	L20.5.2	L5.9.1.1
E20c.1.3	E8a.1.2	L20.5.3	L5.9.1.2
E20c.2	E8a.1.3	L20.5.4	L5.9.2
E20c.2.1	E8a.1.4	L20.6	L6.1
E20c.2.2	E8a.1.5	L20.7.1	L6.2
E21b.3	E8a.2	L20.7.2	L7.8
E23.1	F1.7.2	L20.7.3	L7.9
E23.2	F2.3.2	L20.7.4	L9.1.1.1
E24	F2.3.3	L20.7.5	L9.1.1.2
E29.1	F2.3.4	L20.8	L9.1.2.1
E29.2	F2.7.1	L20.9	L9.1.2.2
E29a	F2.7.2	L21	L9.2.1
E29a.1	F2.7.3	L22	L9.2.2
E29b.1	F7.1	L23.1.1	L9.3
E29b.2	F7.2	L23.1.2	S1.3.2
E29b.3	L1.1	L23.1.3	S2.1.1
E29b.3.1	L1.2	L23.1.4	S2.1.1.1
E29e	L11	L23.1.5	S2.1.1.2

E2a	L12.1	L23.2	S2.1.2
E2b.1.1.1	L12.2.1	L23.3.1	S2.1.3
E2b.1.1.2	L12.2.2	L23.3.2.1	S2.1.4.1
E2b.1.2	L12.2.3	L23.3.2.2	S2.1.4.2
E2b.1.3	L12.3	L23.3.3.1	S2.1.5
E2b.1.4	L13.1	L23.3.3.2	S2.1.5.1
E2b.1.5	L13.2	L23.4	S2.1.6
E2b.2.1	L14	L23.5.1	S2.1.7
E2b.2.2	L15.1	L23.5.2	S2.2.1
E2b.2.3	L15.2	L23.6	S2.3.1.1
E2b.2.4	L15.3	L24	S2.3.1.2
E2b.2.5	L16	L25	S2.3.1.3
E2b.3.1.1	L17.2	L29	S2.3.1.4
E2b.3.1.2	L19.1	L3.1	S2.3.2.1
E2b.3.2	L19.2	L3.2	S2.3.2.2
E2c.1	L19.3	L30	S2.3.2.3
E2c.2	L19.4	L31	S2.3.2.4
E2c.3.1	L2.1	L32.1	S2.4
E2c.3.2	L2.2.1	L32.4.1.1	S2.5.1.1
E2c.3.3	L2.2.2	L32.4.1.2	S2.5.1.2
E2c.4.1.1	L2.3	L32.4.2	S2.5.2.1
E2c.4.1.2	L2.4.1	L34	S2.5.2.2
E2c.4.2.1	L2.4.2	L35.1	S3.2.1
E2c.4.2.2	L2.4.3.1	L35.2	S3.2.2
E2c.4.3	L2.4.3.2	L35.3	
E2c.4.4	L20.10.1.1	L35.4	
E2d.1	L20.10.1.2	L35.5	
E2d.2	L20.10.2	L35.6	
E2d.3.1	L20.10.3	L35.7	
E2d.3.2	L20.11.1	L35.8	
E2e.1	L20.11.2	L36	

All other terms and conditions remain unchanged.

Authorized Representative

A handwritten signature in black ink, appearing to be "P. H. W.", written over a horizontal line.

Environmental Liability Insurance

Endorsement 19

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company Chubb Custom Insurance Company
Date Issued December 15, 2014

This Endorsement applies to the following forms:

Environmental Liability Insurance

Declarations

The Named Insured shown in the Declarations is amended to include the named insureds shown in the Schedule.

SCHEDULE

Named Insureds:

1. Fort Ord Reuse Authority (FORA)
2. County of Monterey
3. Successor Agency to the Redevelopment Agency of the County of Monterey
4. City of Seaside
5. City of Marina
6. City of Monterey
7. Monterey Peninsula College
8. Transportation Agency for Monterey County
9. Monterey-Salinas Transit

All other terms and conditions remain unchanged.

Authorized Representative

A handwritten signature in black ink, appearing to be "P. H. W.", written over a horizontal line.

Endorsement

Policy Period December 31, 2014 To December 31, 2024
Effective Date December 31, 2014
Policy Number 37314351
Insured FORT ORD REUSE AUTHORITY
Name of Company CHUBB CUSTOM INSURANCE COMPANY
Date Issued December 15, 2014

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

California Service Of Suit Conditions

UNDER CONDITIONS, THE FOLLOWING CONDITION IS ADDED:

In the event we fail to pay any amount claimed to be due under this insurance, at your request we will submit to the jurisdiction of a court of competent jurisdiction within the United States of America. Nothing in this condition constitutes or should be understood to constitute a waiver of our rights to commence an action in a court of competent jurisdiction in the United States or to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States.

Service of process in such suit may be made upon James V. Lalor, 801 S. Figueroa Street, Suite 2400, Los Angeles, CA 90017-5556, or his nominee, and that in any suit instituted against any one of them upon this policy, we will abide by the final decision of court or of any appellate court in the event of an appeal.

The above named is authorized and directed to accept service of process on our behalf in any such suit and/or your request to give you a written undertaking that it or we will enter a general appearance in the event such a suit shall be instituted.

In accordance with any statute of any state, territory or district of the United States of America, which makes provision therefore, we hereby designate the Superintendent, Commissioner or Director of Insurance, Secretary of State or other officer or officers specified for that purpose in the statute or his or their successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on your behalf or the behalf of any beneficiary arising out of this contract of insurance, and hereby designate James V. Lalor, or his nominee, as the person to whom the said officer is authorized to mail such process or a true copy thereof.

All other terms and conditions remain unchanged.

Authorized Representative



