

THIS IS A CLAIMS-MADE AND REPORTED COVERAGE ENDORSEMENT
DEFENSE IS INCLUDED IN THE LIMIT OF INSURANCE

CONTRACTORS ERRORS AND OMISSIONS COVERAGE ENDORSEMENT

PLEASE READ THE ENTIRE FORM CAREFULLY

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

Throughout this Contractors Errors and Omissions Coverage Endorsement (hereinafter referred to as Errors and Omissions Coverage), the words "you" and "your" refer to the "Named Insured(s)" shown in the Supplemental Declarations and any other person(s) or organization(s) qualifying as a "Named Insured" under this Errors and Omissions Coverage. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED. Other words and phrases that appear in "quotations" have special meaning. Refer to SECTION VI - DEFINITIONS.

The provisions of this Errors and Omissions Coverage apply only to this Errors and Omissions Coverage endorsement. With the exception of the cancellation, nonrenewal, terrorism and examination of your books and records provisions applicable to the policy to which this Errors and Omissions Coverage is a part, no other terms and conditions of such policy apply to this Errors and Omissions Coverage unless specifically stated otherwise.

SECTION I - COVERAGE

A. Insuring Agreement

1. We shall pay on the "Named Insured's" behalf those amounts, in excess of the deductible, that the insured is legally obligated to pay as "loss" resulting from a "claim" first made against the insured and reported to us during the "Contractors Errors and Omissions Coverage Period" or any Extended Reporting Period (if applicable) for:
 - a. "Property damage" to "your work";
 - b. "Property damage" to "your product"; or,
 - c. "Impaired property" arising out of a defect, deficiency, inadequacy, or dangerous condition in "your product" or "your work".

caused by your "wrongful act" in rendering or failing to render "contractor services" to others for a fee as shown in Item 1. of the Supplemental Declarations, but only if such "wrongful act" first occurs on or after the Retroactive Date shown in the Supplemental Declarations of this Errors and Omissions Coverage and prior to the end of the "Contractors Errors and Omissions Coverage Period".
2. Subject to the limit and deductible, applicable to this Errors and Omissions Coverage, the most we will pay to repair any "property damage" to "your work" or "your product" caused by your "wrongful act" in rendering or failing to render "contractor services" performed by you is:
 - a. 100% of the "actual original cost" if repairs are made by someone other than you or other than a company you are affiliated with; or
 - b. 80% of the "actual original cost" if repairs are made by you or a company you are affiliated with.
3. This insurance applies to all "claims" covered by this Errors and Omissions Coverage:
 - a. Only if the "claim" is:

- (1) First made during the "Contractors Errors and Omissions Coverage Period"; and
 - (2) Reported to us during the "Contractors Errors and Omissions Coverage Period" or any Extended Reporting Period we provide under **SECTION V - CONDITIONS, D. Extended Reporting Periods**.
- b. A "claim" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
- (1) When an insured reports, in writing, to us an incident or circumstance that may lead to a "claim" or;
 - (2) When written notice of such "claim" is received by an owner, partner, member, manager, "executive officer" or designated risk manager, or similar office or position, of the "Named Insured"; or
 - (3) When notice of such "claim" is received in writing by us.

B. Defense

1. Notwithstanding the deductible, we will have the right and duty to defend an insured against any "claim" or "suit" alleging a "wrongful act".
2. a. We have the right to investigate and settle any "claim" or "suit" that we believe is proper. You shall be entitled to consent to such settlement, provided your consent is not unreasonably withheld and is provided as soon as practicable.
- b. If you refuse to consent to any settlement that we recommend and that is acceptable to the claimant, then our liability for such "claim" or "suit" shall not exceed the amount for which we could have settled had your consent not been withheld at the time of our recommendation. You shall thereafter negotiate and defend that "claim" or "suit" at your own cost and without our involvement.
3. "Defense costs" are part of and subject to our Limit of Insurance set forth in Item 2. of the Supplemental Declarations.
4. Our duty to defend ends after the applicable Limit of Insurance set forth in Item 2. of the Supplemental Declarations has been exhausted by payment of all "loss", including "defense costs".

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION 1 - COVERAGE, C. Supplementary Payments**.

C. Supplementary Payments

We will pay, with respect to any "claim" we investigate or settle, or any "suit" against an insured we defend until our limit of liability is exhausted by payment of "loss":

1. All expenses we incur in the defense of any "claim" or "suit" covered hereunder.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by any insured at our request to assist us in the investigation or defense of the "claim" or "suit" including actual loss of earnings up to \$250 a day due to time off from work.
4. All court costs taxed against an insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against an insured.
5. Prejudgment interest awarded against an insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments are considered "loss" and are included within the limits of insurance.

D. Exclusions**1. Asbestos, "Pollutants", "Fungus" and Lead**

Any liability of any nature arising out of, attributable to, or any way related to asbestos, "pollutants", "fungus" or lead in any form or transmitted in any manner, including any loss, cost, or expense arising out of any:

- a. Request, demand, or order that any insured or others test for, monitor, clean up, remove, remediate, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of asbestos, "pollutants", "fungus" or lead; or,
- b. "Claim" or "suit" by or on behalf of any governmental authority for damages resulting from the testing for, monitoring, cleaning up, removing, remediating, containing, treating, detoxifying, neutralizing or in any way responding to or assessing the effects of asbestos, "pollutants", "fungus" or lead.

2. Bankruptcy

Any liability arising out of your insolvency or bankruptcy or the insolvency or bankruptcy of any person or entity for which the insured may be liable.

3. Bodily Injury

Any liability arising from "bodily injury".

4. Bridges and Dams

Any liability in connection with:

- a. Bridges exceeding 150 feet in length; or
- b. Dams.

5. Contractual Liability

Any liability of others assumed by the "Named Insured" or any other insured under any contract or agreement, whether oral or in writing.

6. Criminal, Fraudulent and Intentional Acts

Any liability arising out of the criminal, fraudulent and intentional acts by or at the direction of any insured.

7. Delay

Any liability arising from a delay or failure to:

- a. Complete a contract or project; or
- b. Complete a contract or project on time.

8. Electronic Data

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

9. Estimates, Financing and Legal Work

Any liability because of an error or omission:

- a. In the preparation of estimates of probable job costs or cost estimates being exceeded, estimates of profit or return on capital.
- b. In advising or failing to advise on financing of the work or project.
- c. In advising or failing to advise on any legal work, title checks, form of insurance or suretyship.

10. "Exterior Insulation and Finish System"

Any liability arising out of the "exterior insulation and finish system".

11. Other Coverage

The coverage provided under this Errors and Omission Coverage shall not apply under any

circumstances to the extent any "claim" hereunder is covered under a policy or endorsement or other form of coverage that provides Operations coverage, Products Liability coverage or Completed Operations coverage.

12. **Other Insureds Operations**

Any liability arising out of services performed by or for an insured other than the "contractor services" as shown in Item 1. of the Supplemental Declarations.

13. **Intellectual Property**

Any liability which arises out of any:

- a. Actual or alleged infringement of copyright or trademark or patent;
- b. Unfair competition or piracy; or
- c. Theft or wrongful taking of concepts or intellectual property.

14. **Intentional Injury**

Any "loss" expected or intended from the standpoint of the insured.

15. **Manufacturer's Warranties**

Any liability arising out of manufacturer's warranties or guarantees, whether express or implied.

16. **Materials to Correct Recommendations or Specifications**

Any cost or expense for additional products or materials that would not have been incurred had the correct recommendations or specifications been made.

17. **Non-Conforming Materials or Products**

Any material or products that have been recalled, identified as not conforming to industry safety standards, identified as illegal, banned, outlawed, identified to be in violation of statute, or not approved for sale or use in the United States of America by any industry or governmental authority or agency. This exclusion also applies to any work related to any such material or products.

18. **Non-Monetary Damages**

All "claims":

- a. Alleging, arising out of, based upon, or attributable to any proceeding whether
 - (1) Civil;
 - (2) Criminal; or
 - (3) Administrative

in which the relief sought is other than monetary damages, including but not limited to:

- (1) Proceedings seeking injunctive relief;
 - (2) Declaratory relief;
 - (3) Disgorgement; other equitable remedies; or
 - (4) Those arising out of any kind of criminal proceedings; or
- b. For civil or criminal fines or penalties imposed by law, punitive or exemplary damage or any other type of non-compensatory damages, the multiplied portion of multiplied damages, taxes, any amount for which an insured is not financially liable, or matters which are deemed uninsurable under the law pursuant to which this Errors and Omissions Coverage shall be construed.

19. **Owned or Rented Property**

Any liability arising from "property damage" to property:

- a. Owned by;
- b. Rented; or

- c. Leased to
any insured.

20. Personal Injury or Advertising Injury

Any liability arising from “personal injury” or “advertising injury”.

21. Prior Acts

Any liability arising from “wrongful acts” that were committed or existed prior to the Retroactive Date shown in the Supplemental Declarations of this Errors and Omissions Coverage;

22. Products

Any liability arising from “property damage” to products that are in your physical possession.

23. Professional Liability

Any liability arising out of the rendering of or failure to render any “professional services” by you or on your behalf, but only with respect to either or both of the following operations:

- a. Providing engineering, architectural or surveying services to others; or
- b. Providing or hiring independent professionals to provide engineering, architectural or surveying services in connection with construction work you perform.

24. Profit

Any liability arising from your loss of:

- a. Profit; or
- b. Expected profit.

25. Property Damage

Any liability arising from “property damage” to property other than “your product”, “your work” or “impaired property” arising out of a defect, deficiency, inadequacy or dangerous condition in “your product” or “your work”.

26. Related Enterprises

Any liability arising from “claims” brought against the insured by a business enterprise (or its assignees) which is wholly or partly owned, operated or managed by any insured, or which has directly or indirectly any interest in the ownership or management of the “Named Insured”.

27. Right of Action

Any liability arising from “claims” or “suits” where the right of action against an insured has been relinquished or waived.

28. Subcontracted Work

Any liability, including liability for “property damage” to “your work”, “your product” or “impaired property”, arising out of work that was performed on your behalf by a subcontractor or any person or organization other than an insured.

29. Substitutions

Any liability arising from a decision to substitute a material or product or to deviate from a process or procedure that was specified on:

- a. Blueprints;
- b. Work orders;
- c. Contracts or;
- d. Engineering specifications

unless there has been written authorization.

30. "Your Work" Not Completed

Any liability arising out of "your work" or "your product" before you have completed "your work". "Your work" will be deemed completed at the earliest of the following times:

- a. When all the work called for in your contract or work order has been completed.
- b. When all the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- c. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

31. Nuclear Energy Liability Exclusion

- a. Any liability:
 - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) an insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Any injury or damage resulting from the "hazardous properties" of "nuclear material", if:
 - (1) The "nuclear material":
 - (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (b) has been discharged or dispersed therefrom.
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (3) The injury or damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
- c. As used in this exclusion:
 - (1) "Hazardous properties" include radioactive, toxic or explosive properties.
 - (2) "Nuclear material" means "source material", "special nuclear material" or "by-product material".
 - (3) "Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
 - (4) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
 - (5) "Waste" means any waste material:
 - (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and

- (b) Resulting from the operation by any person or organization of any “nuclear facility” included under the first two paragraphs of the definition of “nuclear facility”.

(6) “Nuclear facility” means:

- (a) Any “nuclear reactor”;
- (b) Any equipment or device designed or used for:
 - (i) separating the isotopes of uranium or plutonium;
 - (ii) processing or utilizing “spent fuel”; or
 - (iii) handling, processing or packaging “waste”;
- (c) Any equipment or device used for the processing, fabricating or alloying of “special nuclear material” if at any time the total amount of such material in the custody of an insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of “waste”;

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

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

- (8) “Property damage” includes all forms of radioactive contamination of property.

32. Undamaged Property

Any liability, cost or expense arising out of “your work” or “your product” that does not constitute “property damage”.

SECTION II - WHO IS AN INSURED

A. If you are designated in the Supplemental Declarations as:

1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
2. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
3. A partnership or joint venture, you and your spouse are insureds. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
4. A limited liability company, you are an insured. Your members are also insureds, but only with the respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
5. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

B. Each of the following is also an insured:

1. Your “employees”, other than either your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
2. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Errors and Omissions Coverage.

C. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company,

and over which you maintain ownership or majority interest, will qualify as a "Named Insured" if there is no other similar insurance available to that organization. However:

1. Errors and Omissions Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the "Contractors Errors and Omissions Coverage Period", whichever is earlier,
2. Errors and Omissions Coverage does not apply to "wrongful acts" that were committed or existed before you acquired or formed the organization; and
3. The organization must be engaged in the business capacity described in the Supplemental Declarations.

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

SECTION III - LIMITS OF INSURANCE

Amount Payable by Us and Our Limit of Insurance

- A.** The Limits of Insurance shown in the Supplemental Declarations and the rules below are the most we will pay for any "loss" regardless of the number of:

1. Insureds;
2. "Claims" made;
3. "Suits" brought;
4. Persons or organizations making "claims" or bringing "suits"; or
5. "Wrongful acts".

The most we will pay as the result of any one "claim" is the Per Claim Limit shown in the Supplemental Declarations.

Any "claim" or aggregation of "claims" resulting from any one "wrongful act" will be considered one "claim".

- B.** All "claims" arising out of:

1. The same "wrongful act"; and
2. All "interrelated wrongful acts"

of all insureds shall be deemed one "wrongful act", and shall be deemed to have been made in the earliest "Contractors Errors and Omissions Coverage Period" in which a "claim" is deemed to have been first made against any insured alleging any such "wrongful act" or "interrelated wrongful acts".

- C.** Subject to **A.** and **B.** immediately above, the most we will pay for all "losses" as the result of all "claims" made during any one "Contractors Errors and Omissions Coverage Period" under this policy, including any Extended Reporting Period, is the Aggregate Limit of Insurance shown in the Supplemental Declarations.
- D.** The Limits of Insurance of this Errors and Omissions Coverage apply separately to each consecutive annual "Contractors Errors and Omissions Coverage Period" shown in the Supplemental Declarations, unless the "Contractors Errors and Omissions Coverage Period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - DEDUCTIBLE

- A.** Our obligation to pay any "loss" on your behalf applies only to the amount of "loss" in excess of the deductible amount stated in the Supplemental Declarations. The limits of insurance will not be reduced by the application of such deductible amount.
- B.** We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

SECTION V - CONDITIONS

A. Bankruptcy

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

B. Coverage Territory

"Wrongful acts" can take place anywhere in the world, provided the "claim" or "suit" is brought against an insured within the United States of America, its territories or possessions or Canada.

C. Duties in the Event of "Claim" or "Suit"

As a condition precedent to coverage under this Errors and Omissions Coverage:

1. You shall give us written notice as soon as practicable of any "claim" (including any incident or circumstance that may lead to a "claim") brought against any insured and shall give such information and cooperation as we may reasonably require, including but not limited to a description of the "claim", the nature of the alleged injury, the names of the claimants, and the manner in which an insured first became aware of the "claim".
2. You shall provide us with all information, assistance and cooperation which we reasonably request and agree that in the event of a "claim" you will do nothing that may prejudice our position or our potential or actual rights of recovery.
3. You shall not settle any "claim", incur any defense costs or otherwise assume any contractual obligation or admit any liability with respect to any "claim" without our written consent, which shall not be unreasonably withheld. We shall not be liable for any settlement, defense costs, assumed obligation or admission to which we have not consented.

D. Extended Reporting Periods

1. You shall have the right to the Extended Reporting Periods described in Paragraph 2. of this Clause **D.** in the event that:
 - a. You or we shall cancel this Errors and Omissions Coverage; or
 - b. You or we shall refuse to renew this Errors and Omissions Coverage; or
 - c. We renew this Errors and Omissions Coverage on an other than a claims-made basis or with a Retroactive Date later than the Retroactive Date shown in the Supplemental Declarations of this Errors and Omissions Coverage;
2. If an event as specified in Paragraph 1. of this Clause **D.** has occurred, you shall have the right to the following:
 - a. An Automatic Extended Reporting Period of thirty (30) days after the effective date of cancellation or nonrenewal at no additional premium in which to give to us written notice of "claims" first made or "suits" first brought against any insureds during said Automatic Extended Reporting Period for any "wrongful acts" occurring before the end of the "Contractors Errors and Omissions Coverage Period" and are otherwise covered by this Errors and Omissions Coverage; and
 - b. Upon payment of an additional premium of 200% of the full annual premium applicable to this Errors and Omissions Coverage, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of cancellation or nonrenewal in which to give to us written notice of "claims" first made or "suits" first brought against any insureds during said Supplemental Extended Reporting Period for any "wrongful acts" occurring before the end of the "Contractors Errors and Omissions Coverage Period" and are otherwise covered by this Errors and Omissions Coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within thirty (30) days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance provided during the Supplemental Extended Reporting Period is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

This clause and the rights contained herein shall not apply to any cancellation resulting from non-payment of premium.

3. The Extended Reporting Periods do not reinstate or increase the Limits of Insurance of this Errors and Omissions Coverage.

E. Legal Action Against Us

No person or organization has a right under this Errors and Omissions Coverage:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Errors and Omissions Coverage or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the "named insured" and the claimant or the claimant's legal representative.

F. Other Insurance

If this Errors and Omissions Coverage and any other coverage form or policy issued to you by us or any company affiliated with us apply to the same "wrongful act", the total maximum Limit of Insurance under all coverage forms and policies shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition shall not apply to any coverage form or policy issued by us to apply specifically as excess insurance over this Errors and Omissions Coverage. If other valid and collectible insurance is available to the insured for a loss we cover under this Errors and Omissions Coverage, our obligations are limited as follows:

1. Primary Insurance

This insurance is primary except when Paragraph 2. below applies. If this insurance is primary, 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 Paragraph 3. below.

2. Excess Insurance

- a. This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the "Contractors Errors and Omissions Coverage Period" shown in the Supplemental Declarations of this insurance and applies to "property damage".
- b. When this insurance is excess, we will have no duty to defend an insured against any "suit" if any other insurer has a duty to defend such insured against that "suit". If no other insurer defends, we will undertake such defense, but we will be entitled to the "named insured's" rights against any other insurers.
- c. When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds:
 - (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; plus
 - (2) The total of all deductible and self-insured amounts underlying all such insurance and this Errors and Omissions Coverage.
- d. We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Supplemental Declarations of this Errors and Omissions Coverage. The method of sharing shall be as described in paragraph 3 below.

3. Method Of Sharing

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

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

G. Representations

By accepting this policy, you agree:

1. The statements in the Supplemental Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon those representations.

H. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Errors and Omissions Coverage to the first "Named Insured", this insurance applies:

1. As if each "Named Insured" were the only "Named Insured"; and
2. Separately to each insured against whom a "claim" is made or a "suit" is brought.

I. Transfer of Rights of Recovery Against Others to Us

If an insured has rights to recover all or part of any payment we have made under this Errors and Omissions Coverage, those rights are transferred to us. An insured must do nothing after loss to impair them. At our request, an insured will bring "suit" or transfer those rights to us and help us enforce them.

J. Insured's Representative Clause

By acceptance of this Errors and Omissions Coverage, the first "Named Insured" shown in the Supplemental Declarations agrees to act on behalf of all insureds with respect to the giving and receiving of notice of "claim", the acceptance of endorsements, the giving or receiving of any other notice provided for in this Errors and Omissions Coverage, and the exercising or declining to exercise any right to an Extended Reporting Period, and agree that such first "Named Insured" shall act on behalf of all insureds.

K. Headings

The descriptions in the headings of this Errors and Omissions Coverage are solely for convenience and form no part of the terms and conditions of coverage.

SECTION VI - DEFINITIONS

A. "Actual Original Cost" means:

The original amount paid to the insured by the claimant for the original work.

B. "Advertising injury" means:

Injury arising out of one or more of the following offenses:

1. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services in your "advertisement";
2. Oral or written publication of material that violates a person's right of privacy;
3. Misappropriation of advertising ideas or style of doing business; or
4. Infringement of copyright, title or slogan.

C. "Advertisement" means:

A notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
2. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purpose of attracting customers or supporters is considered an advertisement.

D. "Bodily injury" means:

Bodily injury, bodily sickness or bodily disease sustained by a person, including death resulting from any of these at any time.

E. "Claim" means:

A written demand or "suit" which seeks monetary damages for:

1. "Property damage" to "your product";
2. "Property damage" to "your work"; or
3. "Property damage" to "impaired property" arising out of a defect, deficiency, inadequacy or dangerous condition in "your product" or "your work".

F. "Contractors Errors and Omissions Coverage Period" means:

The period of time for which coverage is provided by this Errors and Omissions Coverage as shown in the Supplemental Declarations.

G. "Contractor Services" means:

Only those services shown in Item 1. of the Supplemental Declarations.

H. "Defense costs" means:

Reasonable and necessary fees, costs and expenses consented to by us resulting solely from the investigation, adjustment, defense and appeal of a "claim" or "suit" against you.

In no event shall "defense costs" include your or our routine on-going expenses, including, without limitation, the salaries of your or our "employees", officers or staff attorneys.

I. "Electronic data" means:

Information, facts or programs:

1. Stored as or on;
2. Created or used on; or
3. Transmitted to or from

computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

J. "Employee":

1. Includes a "leased worker".
2. Does not include a "temporary worker".

K. "Executive Officer" means:

A person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

L. "Exterior insulation and finishing system" means:

A type of building exterior wall cladding system that provides exterior walls with an insulated finished surface and waterproofing in an integrated composite material system.

M. "Fungus" means:

Any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

N. "Impaired property" means:

Tangible property, other than "your product" or "your work", that cannot be used or is less useful because it incorporates "your product" or "your work" that is found to be defective, deficient, inadequate or dangerous but

only if such “impaired property” can be restored to use by the repair, replacement, adjustment or removal of “your product” or “your work”.

“Impaired property” does not include property that is impaired due to:

1. You or anyone acting on your behalf knowingly failing to fulfill the terms of a contract or agreement; or,
2. The result of sudden and accidental physical injury to “your product” or “your work”.

O. “Interrelated wrongful acts” mean:

All “wrongful acts” related to a specific job or project for a specific customer at a specific location or premises that contributed to a covered “claim”.

P. “Leased worker” means:

A person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. “Leased worker” includes supervisors furnished to you by the labor leasing firm. “Leased worker” does not include a “temporary worker”.

Q. “Loss(es)” means:

Monetary amounts to which this insurance applies and which you are legally obligated to pay for judgments, settlements, pre- and post-judgment interest on that part of any judgment paid by us, “defense costs” and supplementary payments.

However, “loss” shall not include:

1. Civil or criminal fines or penalties imposed by law;
2. Any amounts for which you are not financially liable or for which there is no legal recourse against you;
3. The costs and expenses of complying with any injunctive or other form of equitable relief;
4. Punitive or exemplary damages, the multiplied portion of multiplied damages; or
5. Matters which may be deemed uninsurable under the law.

R. “Named Insured” means:

The person or organization designated in the Supplemental Declarations.

S. “Personal injury” means:

Injury, other than “bodily injury” arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
5. Oral or written publication of material that violates a person's right of privacy;
6. The use of another's advertising idea in your “advertisement”; or
7. Infringing on another's copyright, trade dress or slogan in your “advertisement”.

T. “Pollutants” mean:

Any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals, petroleum products and their byproducts and waste. Waste includes material to be recycled, reconditioned or reclaimed. Pollutants include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment.

U. “Professional services” means:

1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports,

surveys, field orders, change orders, or drawings and specifications; and

2. Supervisory or inspection activities performed as part of any related architectural or engineering activities.

V. "Property damage" means:

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to have taken place at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to have taken place at the time of the incident that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

W. "Suit" means:

A civil proceeding in which monetary damages are alleged because of "claims" to which this insurance applies. "Suit" includes:

1. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent; or
3. An appeal of such a civil proceeding.

X. "Temporary worker" means:

A person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

Y. "Wrongful Act" means:

Any actual or alleged negligent act, error or omission resulting in "property damage", arising out of the performance of "contractor services" as described in Item 1. of the Supplemental Declarations.

Z. "Your product" means:

1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. You;
 - b. Others trading under your name; or
 - c. A person or organization whose business or assets you have acquired; and
2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

AA. "Your work" means:

1. Work or operations performed by you or on your behalf, and
2. Materials, parts or equipment furnished in connection with such work or operations.