IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY

One State Street Plaza
7th Floor
New York, NY 10004
Toll Free: (877) IRON411

Notice to Policyholder: This contract is issued, pursuant to Section 445 of the Illinois Insurance Code, by a company not authorized and licensed to transact business in Illinois and as such is not covered by the Illinois Insurance Guaranty Fund.

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT

EDU FORM

(SPILLS)

SOME COVERAGES AFFORDED BY THIS POLICY ARE LIMITED TO CLAIMS THAT ARE FIRST MADE AND REPORTED TO THE INSURER WITHIN THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD. PLEASE READ IT CAREFULLY.

DECLARATIONS

Policy Number: 000908700 **Renewal of Policy Number:** New

Item 1. **Named Insured & Mailing Address:** Secondary School Cooperative Risk Management Program
2409 Peachtree Lane
Northbrook, IL 60062

Item 2. **POLICY AGGREGATE LIMIT**: $3,000,000

This Policy includes only those Coverages, as stated in Section I, of the Policy for which deductibles and limits of liability appear below. If no deductible or limits of liability appear for a particular Coverage below, that Coverage has not been purchased and does not apply. The descriptions in parenthesis are for convenience purposes only. Please read the Policy for the actual terms and conditions of a particular Coverage.

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

Coverage	Deductible-Each Incident	Each Incident Limit	Coverage Aggregate Limit
A. (Third Party Claims for Bodily Injury, Property Damage and Remediation Expenses)	$25,000*	$3,000,000	$3,000,000
B. (First Party Remediation Expenses)	$25,000*	$3,000,000	$3,000,000
C. (Emergency Response Expenses)	$25,000*	$3,000,000	$3,000,000

***Deductible for mold and legionella shall be $50,000**

Coverage	Deductible (Days)	Business Interruption (Days) Limit	Business Interruption ($) Limit
D. (**Business Interruption**)	10	90	$3,000,000

Item 4. **Policy Period:** **Effective:** January 01, 2011 **Expiration:** January 01, 2014
12:01 a.m. standard time at the address of the **Named Insured** as shown above.

Item 5. **Policy Premium:** $79,448.00

Premium For Acts Of Terrorism (TRIA) Not Purchased

Total Premium (Including TRIA) $79,448.00

Item 6. **Minimum Earned Premium** 100%

Item 7. **Intended Use:** Schools and associated uses

Item 8. **Forms & Endorsements:** Manuscript: SPILLS Edu

SEE ENDORSEMENT SCHEDULE

Item 9. **Broker & Mailing Address:**
Marsh USA Inc (MI)
600 Rnmiance Ctr
SUITE NO 2100
Detroit, MI 48243

Date: January 21, 2011
MO/DAY/YR.

Authorized Representative

Named Insured: Secondary School Cooperative Risk Management Program

Policy Number: 000908700

Effective 12:01 AM: January 01, 2011

ENDORSEMENT SCHEDULE

Endorsement Number - Form Number – Edition Date – Form Name

1. IE.PN.ALL.002 (1010) Notice of Claim
2. IE.END.ALL.002 (0409) Terrorism Exclusion
3. Manuscript: NAMED INSURED ENDORSEMENT
4. Manuscript: ACKNOWLEDGEMENT OF SHARED LIMITS ENDORSEMENT
5. Manuscript: SEPARATE DEDUCTIBLE FOR MOLD MATTER AND LEGIONELLA ENDORSEMENT
6. Manuscript: SCHEDULE OF UNDERGROUND STORAGE TANKS WITH RETROACTIVE DATE CLAUSE ENDORSEMENT

IRONSHORE SPECIALTY INSURANCE COMPANY

One State Street Plaza
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Endorsement # 1

Policy Number: 000908700 **Effective Date of Endorsement:** January 01, 2011
Insured Name: Secondary School Cooperative Risk Management Program

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIM AND NOTICE REPORTING

Subject to the claims and notice reporting provisions within the policy, claim and notice reports may be given in writing via:

POSTAL SERVICE to:
Ironshore Environmental Claims CSO
86 Hopmeadow St., 3rd Floor
Simsbury, CT 06089

E-MAIL to:
Ironenviroclaims@ironshore.com

FAX to:
(877) 371-8963

By phone via:
24 Hour Claims Phone Number:
(888) 292-0249

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

_____ January 21, 2011
Authorized Representative Date

IRONSHORE SPECIALTY INSURANCE COMPANY
One State Street Plaza
7th Floor
New York, NY 10004
Toll Free: (877) IRON411

Endorsement # 2

Policy Number: 000908700 **Effective Date of Endorsement:** January 01, 2011
Insured Name: Secondary School Cooperative Risk Management Program

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)

It is hereby agreed that the policy is amended as follows

1. The following Exclusion is added:

   This insurance does not apply to:

   TERRORISM

   Any injury or damage arising, directly or indirectly, out of **terrorism**

2. For the purposes of this endorsement, the following definitions are added:

   Any injury or damage means any injury or damage covered under the policy and includes but is not limited to **bodily injury**, **property damage**, **environmental damage**, **remediation expense**, **emergency response expense**, **personal and advertising injury**, negligent acts, errors or omissions or **professional incident** as may be defined in the policy.

   Terrorism means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion. Terrorism includes an act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

_____ January 21, 2011
Authorized Representative Date

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IRONSHORE SPECIALTY INSURANCE COMPANY
One State Street Plaza
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Endorsement # 3

Policy Number: 000908700 **Effective Date of Endorsement:** January 01, 2011
Insured Name: Secondary School Cooperative Risk Management Program

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

NAMED INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

The persons or entities scheduled below are included as **Named Insureds**.

SCHEDULE OF NAMED INSUREDS

Glennbrook High School District 225

Maine Township High School District 207

Township High School District 214

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

_____ January 21, 2011
Authorized Representative Date

Manuscript: NAMED INSURED ENDORSEMENT

IRONSHORE SPECIALTY INSURANCE COMPANY
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Endorsement # 4

Policy Number: 000908700 **Effective Date of Endorsement:** January 01, 2011
Insured Name: Secondary School Cooperative Risk Management Program

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ACKNOWLEDGEMENT OF SHARED LIMITS ENDORSEMENT

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)

The **Insureds** and the Company agree to the following:

All **Insureds** understand, agree to, and acknowledge, that this Policy contains a Policy Aggregate Limit of Liability, as identified in Item 2. of the Declarations, that is accepted and shared by all of the **Insureds** who are or may become an **Insured** hereunder. In view of the operation and nature of this shared Policy Aggregate Limit of Liability, the **Insureds** understand and agree that prior to filing a **Claim** under this Policy, the Policy Aggregate Limit of Liability may be exhausted or reduced by prior payments for other **Claims** under this Policy. As a result, there may be no available limit to pay the Insured's **Claim**, regardless of whether any **Loss**, **Business Interruption Expense or Extra Expense** has been paid on such **Insured's** behalf.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

_____ January 21, 2011
Authorized Representative Date

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Endorsement # 5

Policy Number: 000908700 **Effective Date of Endorsement:** January 01, 2011
Insured Name: Secondary School Cooperative Risk Management Program

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SEPARATE DEDUCTIBLE FOR MOLD MATTER AND LEGIONELLA ENDORSEMENT

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

Solely with respect to **Claims**, in whole or part, or **Pollution Incidents** due to or associated with **Mold Matter** or **Legionella**, it is hereby agreed that Section **VI. LIMITS OF LIABILITY AND DEDUCTIBLE**, Paragraph **D. DEDUCTIBLE** is deleted in its entirety and replaced with the following:

D. DEDUCTIBLE

Subject to Paragraphs **A.**, **B.**, and **C.** above, the Company will pay all **Loss** in excess of $50,000. The deductible is the obligation of the **Named Insured** and applies to all **Loss** arising out of the same, related or continuous **Pollution Incident(s)**.

Subject to Paragraphs **A**. and **B**. above, the Company will pay all **Business Interruption Expenses** and **Extra Expenses** in excess of the **Business Interruption Expenses** and **Extra Expenses** incurred after expiration of the number of days in a **Period of Interruption** stated in Item 3. of the Declarations.

The Company may, but is under no obligation to, advance amounts for **Loss**, **Business Interruption Expenses** and **Extra Expenses** within the deductible. The **Named Insured** shall promptly reimburse the Company for advancing any such amounts within the deductible upon the Company's request.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

_____ January 21, 2011
Authorized Representative Date

Manuscript: SEPARATE DEDUCTIBLE FOR MOLD MATTER AND LEGIONELLA ENDORSEMENT

IRONSHORE SPECIALTY INSURANCE COMPANY
One State Street Plaza
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Endorsement # 6

Policy Number: 000908700 **Effective Date of Endorsement:** January 01, 2011
Insured Name: Secondary School Cooperative Risk Management Program

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SCHEDULE OF UNDERGROUND STORAGE TANKS WITH RETROACTIVE DATE CLAUSE ENDORSEMENT

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

Section **III. EXCLUSIONS- ALL COVERAGES,** Paragraph **Q. Underground Storage Tanks** is deleted in its entirety and replaced with the following:

Q. Underground Storage Tanks:

Any **Underground Storage Tank** which is**:** i) known to a **Responsible Insured** as of either the **Inception Date** or, for properties added to the Policy during the **Policy Period**, the date on which the property first becomes covered under this Policy; or ii) installed during the **Policy Period**. This exclusion does not apply to **Underground Storage Tanks** which have been closed, abandoned in place or removed in accordance with all applicable **Environmental Laws** prior to the **Inception Date** or the date on which a property added during the Policy Period first becomes covered under this Policy, or to **Underground Storage Tanks** scheduled to this Policy by endorsement.

Further, this exclusion shall not apply to the Scheduled **Underground Storage Tank(s)** listed below, provided that any **Pollution Incidents** arising from the Scheduled **Underground Storage Tank(s)** listed below must commence on or after the Retroactive Date shown below which corresponds to the applicable Scheduled **Underground Storage Tank**.

Covered Property	Size	Contents	Installation Date	Retroactive Date
1100 W. Higgins Hoffman Estates, IL	10,000-gallons	Regular Unleaded Gasoline	N/A	None
700 E. Cougar Trail Hoffman Estates, IL	10,000-gallons	Diesel	N/A	None
1111 N. Rohlwing Rd Palatine, IL	10,000-gallons	Diesel	N/A	None
1111 N. Rohlwing Rd	10,000-gallons	Regular Unleaded	N/A	None

Palatine, IL		Gasoline		
1000 S. Quentin Rd Palatine, IL	4,000-gallons	Diesel	N/A	1/1/11
1000 S. Quentin Rd Palatine, IL	10,000-gallons	Regular Unleaded Gasoline	N/A	1/1/11

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

_____ January 21, 2011

Authorized Representative Date

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Insured Name: Secondary School Cooperative Risk Management Program
Policy Number: 000908700

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SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)

IMPORTANT INFORMATION FOR THE INSURED: CAREFULLY REVIEW THIS POLICY IN FULL. IT CONTAINS PROVISIONS WHICH RESTRICT, EXCLUDE OR OTHERWISE REDUCE OR CURTAIL COVERAGE, AND IT MAY BE DIFFERENT FROM OTHER INSURANCE POLICIES THAT YOU HAVE SEEN OR PURCHASED IN THE PAST. LEGAL FEES AND EXPENSES ARE INCLUDED WITHIN AND ERODE THE LIMITS OF LIABILITY AND ARE SUBJECT TO THE DEDUCTIBLE.

SOME COVERAGES AFFORDED BY THIS POLICY ARE LIMITED TO CLAIMS THAT ARE FIRST MADE AND REPORTED TO THE INSURER WITHIN THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD.

THE HEADINGS DO NOT CONSTITUTE TERMS OR CONDITIONS OF THIS POLICY AND ARE INCLUDED SOLELY FOR CONVENIENCE. THE HEADINGS SHALL NOT IN ANY MANNER MODIFY OR OTHERWISE AFFECT ANY OF THE PROVISIONS OF THIS POLICY. DEFINED TERMS APPEAR IN BOLD FONT.

Subject to and contingent upon the **Named Insured's** payment in full of the premium when due and any applicable deductible and in reliance upon the truth, accuracy, and completeness of the statements in the insurance application and any materials submitted in connection therewith or prior thereto, and subject to all terms, conditions, limitations, and exclusions of this Policy, the Company agrees with the **Named Insured** to the following:

I. COVERAGE GRANTS

A. Third Party Claims for Bodily Injury, Property Damage and Remediation Expenses

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of **Claims** for **Bodily Injury**, **Property Damage** or **Remediation Expenses** arising from a **Pollution Incident**, provided that the **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period**, or during the **Extended Reporting Period** if applicable.

B. First Party Remediation Expenses

To pay on behalf of the **Insured**, **Remediation Expenses** arising from a **Pollution Incident**, provided that:

1. the **Pollution Incident** is first discovered by the **Insured** during the **Policy Period**. Discovery of a **Pollution Incident** happens when a **Responsible Insured** first becomes aware of the **Pollution Incident**; and
2. the **Insured** reports the **Pollution Incident** to the Company, in writing, during the **Policy Period**; and
3. the **Pollution Incident** is promptly reported by the **Insured** to the appropriate governmental authority as required by **Environmental Laws**.

C. Emergency Response Expenses

To pay on behalf of the **Insured**, **Emergency Response Expenses** incurred by or on behalf of the **Insured**. The **Emergency Response Expenses** must: (1) arise from a **Pollution Incident** that is first discovered by the **Insured** during the **Policy Period**; and (2) be reported to the Company in accordance with Section **IV**., Paragraph **B**. For this Coverage to apply, the **Pollution Incident** giving rise to the **Emergency Response Expenses** must be unexpected and unintended from the standpoint of the **Insured**.

D. Business Interruption

To pay the **Insured's Business Interruption Expenses** and **Extra Expenses** during the **Period of Interruption** that directly result from a **Pollution Incident** on or under a **Covered Property**. This coverage shall apply only if the **Pollution Incident** giving rise to the **Business Interruption Expenses** or **Extra Expenses** is first discovered by the **Insured** and reported to the Company during the **Policy Period**. Discovery of a **Pollution Incident** happens when a **Responsible Insured** first becomes aware of the **Pollution Incident**

II. DEFENSE

The Company has the right and duty to defend, including the right to select and appoint counsel to represent, the **Insured** against any **Claim,** even if groundless, false or fraudulent**,** to which this Policy applies. However, the Company has no duty to defend the **Insured** against any **Claim** to which this Policy does not apply. The Company shall not be obligated to commence or continue to investigate, defend, pay or settle any **Claim** after the applicable Limit of Liability described in Section **VI**. has been exhausted. Upon the **Insured's** satisfaction of any applicable deductible amounts, **Legal Costs** shall reduce the Limits of Liability shown in Item 3. of the Declarations. With respect to any such **Claim** being defended by the Company, the Company shall pay all reasonable expenses incurred by the **Insured** at the Company's request to assist it in the investigation or defense of the **Claim**, including actual loss of earnings up to $750 a day because of time off from work subject to an aggregate limit of $7,500 for all such expenses.

The **Insured** shall not admit or assume liability or settle or negotiate to settle any **Claim** without the prior written consent of the Company. The **Insured** must notify the Company of all settlement offers and the Company will in turn present all settlement offers to the **Insured**. If the Company recommends a monetary settlement which is acceptable to a claimant and is within the Limits of Liability and the **Insured** refuses to consent to such settlement, then the Company's duty to defend shall end, the **Insured** shall thereafter negotiate and defend such **Claim** independently of the Company, and the Company's liability shall not exceed the amount, less the Deductible, for which the **Claim** could have been settled if such recommendation was consented to.

To the extent the **Insured** is entitled pursuant to applicable laws to select independent counsel at the Company's expense, the attorneys' fees and other costs or expenses the Company will pay are limited to the rates the Company would pay to counsel the Company would have retained or could otherwise have retained in the community where the **Claim** is being defended. Such independent counsel must also meet any reasonable requirements, experience, or qualifications standards that the Company may deem appropriate. All such counsel shall keep the Company fully informed and shall promptly respond to requests for information from the Company.

III. EXCLUSIONS - ALL COVERAGES

This Policy does not insure and none of the coverages provided by this Policy apply to **Loss**, **Business Interruption Expense,** or **Extra Expense** arising out of or in any way relating to any of the following:

A. ACQUIRED PROPERTIES

Any real property newly owned, leased, rented or occupied by the **Insured** during the **Policy Period.** This exclusion shall not apply to any property scheduled to the Policy by endorsement.

B. AIRCRAFT, AUTO OR WATER CRAFT

The ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

This exclusion does not apply to **Transportation**.

C. ASBESTOS, PCBs IN CAULK AND LEAD-BASED PAINT

Any asbestos, asbestos containing materials, caulk containing polychlorinated biphenyls (PCBs) or lead-based paint in, on, or applied to any building or other structure. This exclusion does not apply to **Claims** for **Bodily Injury** or **Property Damage**, or to **Remediation Expenses** for the remediation of soil, surfacewater and groundwater.

D. CONTRACTUAL LIABILITY

Any liability assumed by an **Insured** through or by contract or agreement. This exclusion does not apply to liability that the **Insured** would have had in the absence of the contract or agreement or to liability assumed in an **Insured Contract**.

E. CRIMINAL PUNISHMENTS

Any criminal fines, criminal penalties or criminal assessments.

F. DIVESTED PROPERTY

Any **Pollution Incident** at any location, which the **Insured** sold, gave away, terminated lease, abandoned or relinquished operational or management control of prior to the **Inception Date**.

G. EMPLOYER LIABILITY

Any **Bodily Injury** to:

1. an **Insured,** or an employee of an **Insured** or its parent, subsidiary or affiliate while engaged in employment by the **Insured** or its parent, subsidiary or affiliate; or
2. any person whose right to assert a **Claim** against the **Insured** arises by reason of any employment, blood, marital, or any other relationship with the **Insured** or its parent, subsidiary or affiliate.

This exclusion applies whether the **Insured** may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of such **Bodily Injury**.

H. INSURED'S INTERNAL EXPENSES

Any costs, charges or expenses incurred by the **Insured** for goods supplied or services performed by the staff or salaried employees of the **Insured**, or its parent, subsidiary or affiliate, unless such costs, charges or expenses are incurred with the prior written approval of the Company, which it may grant or withhold in its sole discretion.

I. INSURED'S NON-COMPLIANCE

Any **Pollution Incidents** or **Remediation Expenses** that result from a **Responsible Insured's** intentional disregard of, or deliberate, knowing, willful or dishonest non-compliance with any **Environmental Law**, including but not limited to the failure to comply with any regulation applicable to air emissions or effluent discharges, or any other statute, regulation, ordinance, order, administrative complaint, notice of violation, notice letter, or instruction by or on behalf of any governmental agency or representative or other federal, state, local or other applicable legal requirement.

However, this exclusion shall not apply to non-compliance based upon: 1) the **Insured's** good faith reliance upon written advice of qualified counsel received in advance of such non-compliance or upon the Company's written consent; or 2) an **Insured's** reasonable efforts to mitigate a **Pollution Incident** that necessitates immediate action, provided that such **Pollution Incident** is reported to the Company within fourteen (14) days of its commencement.

J. INSURED VS. INSURED

Any **Claim** by or on behalf of any **Insured** against any other **Insured**.

K. INSURED'S PROFESSIONAL SERVICES

Any professional services performed or rendered by the **Insured**, including but not limited to, recommendations, opinions and strategies rendered for architectural, consulting and engineering work, such as drawings, designs, maps, reports, surveys, change orders, plan specifications, assessment work, remedy selections, site maintenance and equipment selection, and supervisory, inspection or engineering service.

L. MATERIAL CHANGE IN USE

A material change in use at any **Covered Property** from the use at such **Covered Property** on the **Inception Date**. A material change in use shall mean any use different from the use identified in Item 7. of the Declarations. This exclusion shall not apply if the **Insured** submits prior written notice no less than thirty (30) days prior to such material change, and the Company approves such material change in an endorsement to this Policy issued within thirty (30) days of such notice. The Company is under no obligation to approve any such change in use, but may do so, in its sole discretion, dependent upon such terms and conditions (including but not limited to the payment of additional premium) as the Company may impose. If the Company approves the material change in use, the **Insured** shall agree to any changes to the terms and conditions to this Policy and pay any additional premium as the Company may require prior to the endorsement of such material change.

M. NON-DISCLOSURE

Any **Pollution Incident:**

1. which is known by a **Responsible Insured** prior to the **Inception Date** and not specifically disclosed in writing in the application for this Policy; or
2. on, under or migrating from a location which is known by a **Responsible Insured** and not specifically disclosed to the Company in writing prior to the Company's addition of such location by endorsement to this Policy.

N. NUCLEAR AND RADIOLOGICAL MATERIAL – INTENTIONAL OR UNLAWFUL RELEASE

Any nuclear or radiological materials of any nature or any of their by-products which are intentionally or unlawfully dispersed or released by any person, including but not limited to the dispersal or release by use of an explosive device.

O. PRODUCTS LIABILITY

Any of the **Insured's Products** after possession of such **Insured's Products** have been relinquished to others by the **Insured** or others trading under its name. However, this exclusion shall not apply solely for the period during which such **Insured's Products** are being stored or transported by others on behalf of the **Named Insured**.

P. PROPERTY DAMAGE TO CONVEYANCES

Any **Property Damage** to any truck, rail car, trailer, rolling stock, intermodal container, shipping container, container, aircraft, vessel, engine, or any other conveyance of any nature utilized during **Transportation**. This exclusion does not apply to **Claims** made by third-party carriers of the **Insured** for such **Property Damage** arising from the **Insured's** negligence.

Q. UNDERGROUND STORAGE TANKS

Any **Underground Storage Tank** which is**:** i) known to a **Responsible Insured** as of either the **Inception Date** or, for properties added to the Policy during the **Policy Period**, the date on which the property first becomes covered under this Policy; or ii) installed during the **Policy Period**. This exclusion does not apply to **Underground Storage Tanks** which have been closed, abandoned in place or removed in accordance with all applicable **Environmental Laws** prior to the **Inception Date** or the date on which a property added during the Policy Period first becomes covered under this Policy, or to **Underground Storage Tanks** scheduled to this Policy by endorsement.

R. WAR

Any consequence, whether direct or indirect, of war, invasion, act of foreign enemy or hostilities, whether war be declared or not, or civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

S. WASTE PROCESSING, TREATMENT OR DISPOSAL

Any processing, treatment or disposal, or the arranging for the processing, treatment or disposal, of waste. This exclusion shall not apply to **Waste Disposal Activities**.

T. WORKERS' COMPENSATION, UNEMPLOYMENT, SOCIAL SECURITY, DISABILITY AND SIMILAR LAWS

Any obligation pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or any similar or related laws.

IV. CLAIMS AND NOTICE PROVISIONS

As a condition precedent to any coverage provided by this Policy, the **Insured** must do each and all of the following:

A. Without limiting the requirements in any insuring agreements in this Policy, in the event of any **Pollution Incident**, **Claim**, **Remediation Expenses**, **Loss**, **Legal Costs**, **Business Interruption Expenses** or **Extra Expenses**, the **Insured** shall provide notice thereof as soon as practicable to the Company's address set forth in the Declarations or (as such address may hereinafter be modified by the Company in writing). In addition, the **Insured** shall provide notice as soon as practicable to the Company's address set forth in the Declarations of any events or circumstances that may reasonably be expected to give rise to a **Pollution Incident**, **Claim**, **Remediation Expenses**, **Loss**, **Legal Costs**, **Business Interruption Expenses** or **Extra Expenses**. All such notice shall include detailed information pertaining to:

1. the appropriate person to contact regarding the **Pollution Incident**, **Claim**, **Remediation Expenses**, **Loss**, **Legal Costs**, **Business Interruption Expenses** or **Extra Expenses**;
2. the location of and a description of the **Pollution Incident**;
3. a description of the Pollution Incident, Claim, Remediation Expenses, Loss, Legal Costs, Business Interruption Expenses or Extra Expenses, as applicable;
4. any response actions taken by the **Insured** relating to the **Claim** or **Pollution Incident**; and
5. Any other pertinent information in the Insured's possession or control concerning any actual or potential **Pollution Incident**, **Claim**, **Remediation Expenses**, **Loss**, **Legal Costs**, **Business Interruption Expenses** or **Extra Expenses**.

B. In the event that **Emergency Response Expenses** are incurred, the **Insured** must provide, in writing, all available information relating to such **Emergency Response Expenses** and the **Pollution Incident** giving rise thereto to the Company within fourteen (14) days of commencement of the **Pollution Incident**. Such information shall include all applicable information detailed in Paragraph **A.** of this Section.

C. Without limiting the requirements in any insuring agreements in this Policy, the **Insured** shall provide notice as soon as practicable of any **Claim,** but, in any event, during the **Policy Period**, or **Extended Reporting Period**, if applicable. The **Insured** shall furnish all information requested by the Company, including, but not limited to, the following information as soon as practicable after the receipt by the **Insured** or the **Insured's** representative or agent:

1. Copies of any demands, notices, summonses or legal papers received by the **Insured**;
2. All correspondence between the **Insured** and any third party claimants;
3. All reports, notes or other documents prepared by persons hired by the **Insured** to investigate the **Claim**;
4. All expert reports, investigations and data collected by experts retained by the **Insured** whether or not the **Insured** intends to use the material for any purpose; and

5. All other information which the Company may require concerning the **Claim** whether or not the **Insured** deems such to be relevant to the **Claim**.

V. RIGHTS OF THE COMPANY AND DUTIES OF THE INSURED IN THE EVENT OF POLLUTION INCIDENT

A. THE COMPANY'S RIGHTS

The Company shall have the right, but not the duty, to assume direct control over the incurrence of **Remediation Expenses** or **Emergency Response Expenses** and to participate in decisions regarding any covered **Remediation Expenses** or **Emergency Response Expenses** upon receiving notice as provided in Section **IV**. of this Policy. Any **Remediation Expenses** or **Emergency Response Expenses** expended by the Company in taking such action will be deemed incurred or expended by the **Insured** and shall be applied against the Limits of Liability and deductible under this Policy as described in Section **VI**.

B. THE INSURED'S DUTIES

The **Named Insured** shall have the duty to clean up the **Pollution Incident** to the extent required by **Environmental Laws**, by retaining, under written contract, competent professionals or contractors mutually acceptable to the Company and the **Named Insured**. The Company retains the right but not the obligation to review and approve all bids and contracts prior to issuance or execution. The Company shall be informed of all progress at reasonable intervals and shall have the right but not the duty to review and approve all aspects of any such clean up prior to submittal to any regulatory agency that is authorized to review and approve such clean up submittals. The **Named Insured** shall notify the Company of actions and measures taken pursuant to this paragraph prior to the execution of those actions and measures, unless such notice is not possible under the circumstances because actions or measures constitute **Emergency Response Expenses** or **Environmental Laws** require immediate remediation of the **Pollution Incident**.

The **Insured** shall make all reasonable attempts to mitigate and minimize any **Loss**, **Business Interruption Expenses** and **Extra Expenses** upon discovery of a **Pollution Incident**.

VI. LIMITS OF LIABILITY AND DEDUCTIBLE

Without regard to the number of **Insureds**, **Covered Properties**, **Pollution Incidents**, **Claims** or claimants, the following limits of liability apply:

A. POLICY AGGREGATE LIMIT OF LIABILITY

The most the Company will pay for all **Loss**, **Business Interruption Expenses** and **Extra Expenses** covered under this Policy shall not exceed the Policy Aggregate Limit of Liability set forth in Item 2. of the Declarations.

B. COVERAGE SECTION AGGREGATE LIMIT OF LIABILITY

Subject to Paragraph **A.** above, the most the Company will pay for all **Loss** covered under each particular coverage section indicated as purchased in the Declarations shall not exceed the Coverage Section Aggregate Limit of Liability applicable to that particular coverage section.

Subject to Paragraph **A**. above, the most the Company will pay for all **Business Interruption Expenses** and **Extra Expenses** covered under Coverage **D**. shall be the lesser of:

1. the **Business Interruption Expenses** and **Extra Expenses** incurred during the number of days set forth in Item 3. for Coverage **D.** of the Declarations; and
2. the dollar amount set forth in Item 3. for Coverage **D.** of the Declarations.

C. EACH INCIDENT LIMIT OF LIABILITY

Subject to Paragraphs **A.** and **B.** above, for each Coverage under this policy, the most the Company will pay for all **Loss** arising out of the same, related or continuous **Pollution Incident(s)** is the Each Incident Limit of Liability applicable to such coverage set forth in Item 3. of the Declarations.

D. DEDUCTIBLE

Subject to Paragraphs **A**., **B.**, and **C.** above, the Company will pay all **Loss** in excess of the applicable deductible amount set forth in Item 3. of the Declarations. The deductible is the obligation of the **Named Insured** and applies to all **Loss** arising out of the same, related or continuous **Pollution Incident(s)**.

Subject to Paragraphs **A**. and **B**. above, the Company will pay all **Business Interruption Expenses** and **Extra Expenses** in excess of the **Business Interruption Expenses** and **Extra Expenses** incurred after expiration of the number of days in a **Period of Interruption** stated in Item 3. of the Declarations.

The Company may, but is under no obligation to, advance amounts for **Loss**, **Business Interruption Expenses** and **Extra Expenses** within the deductible. The **Named Insured** shall promptly reimburse the Company for advancing any such amounts within the deductible upon the Company's request.

E. MULTIPLE COVERAGES

If the same, related or continuous **Pollution Incident(s)** result in coverage under more than one coverage section, the most the Company shall pay for all **Loss**, **Business Interruption Expenses** and **Extra Expenses** arising from such **Pollution Incident(s)** shall not exceed the highest Each Incident Limit of Liability, or the Coverage Section Aggregate solely with regard to Coverage **D**., stated in Item 3. of the Declarations among all of the coverages applicable to the **Loss**, **Business Interruption Expenses** or **Extra Expenses**.

Furthermore, if more than one deductible is applicable, only the highest deductible applicable pursuant to Paragraph **D.** of this Section applicable to the **Loss**, **Business Interruption Expenses** or **Extra Expenses** shall apply.

F. MULTIPLE POLICY PERIODS

If:

1. a **Pollution Incident** is first discovered by the **Insured** and reported to the Company during the **Policy Period**, and a related or continuous **Pollution Incident** is first discovered by the **Insured** and reported to the Company; or
2. a **Claim** is first made against the **Insured** and reported to the Company during the **Policy Period**, and a **Claim** arising from the same, related or continuous **Pollution Incident** is first made against the **Insured** and reported to the Company;

during the policy period of a subsequent policy issued by the Company to the **Insured** in accordance with all the terms and conditions of that policy, then:

a. all such **Pollution Incidents** shall be deemed to be one **Pollution Incident** and to have been first discovered by the **Insured** and reported to the Company during this **Policy Period**, and shall be subject to the applicable Each Incident Limit of Liability or the Coverage D. Limit of Liability, and the Deductible thereunder, as the case may be, set forth in Item 3. of the Declarations; and

b. all such **Claims** shall be deemed to have been first made against the **Insured** and reported to the Company during this **Policy Period** and to arise from one **Pollution Incident**, and shall be subject to the applicable Each Incident Limit of Liability and Deductible set forth in Item 3. of the Declarations.

Paragraph **F.** of this Section applies only if the **Insured** has maintained Site Pollution Incident Legal Liability Select coverage with the Company on a continuous, uninterrupted basis since (i) the first such **Pollution Incident** was discovered by the **Insured** and reported to the Company, or (ii) the first such **Claim** was made against the **Insured** and reported to the Company, providing coverage substantially the same as that provided by the applicable Coverage Part of this policy for (i) **Pollution Incidents** first discovered by the **Insured** and reported to the Company during the policy period, or (ii) **Claims** first made against the **Insured** and reported to the Company during the policy period.

VII. CONDITIONS

A. ACTION AGAINST COMPANY

No action brought by any organization or entity, other than an **Insured**, shall lie against the Company unless, as a condition precedent thereto, the **Insured** has fully complied with all of the terms and conditions of this Policy and the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Company.

Any person or entity or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy to the **Insured** at issue and subject to the terms, conditions, exclusions and limitations of the Policy. No person or entity shall have any right under this Policy to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the Company be impleaded by the **Insured** or its legal representative.

B. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Company unless and until its consent is endorsed hereto, which consent shall not be unreasonably denied.

C. AUDIT AND INSPECTION

The Company shall be permitted, but not required, upon reasonable prior notice to inspect, sample and/or monitor any Covered Property and operations conducted thereon. Neither this right to make inspections, sample and/or monitor, nor the actual undertaking thereof, nor any report thereon shall constitute an undertaking on behalf of the **Insured** or others to determine or warrant that a **Covered Property** or operation is legal, appropriate, safe, healthful or conforms to any standard or requirement or is in compliance with any **Environmental Law** or other **Law**. The Company will not manage or exercise control over any **Covered Property** or operation. The Company shall also have the right to interview persons employed by or affiliated with the **Insured**.

D. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of its obligations hereunder.

E. CANCELLATION

This Policy may be cancelled by the **Named Insured** by surrendering it to the Company or by mailing to the Company written notice stating when thereafter cancellation shall be effective.

The Policy may be cancelled by the Company by mailing to the **Named Insured** at its address set forth in the Declarations, a notice stating when, not less than ninety (90) days (or ten (10) days for nonpayment of premium) thereafter such cancellation shall be effective. The Company may cancel this Policy for only the following reasons:

1. Fraud or misrepresentation;
2. Any **Insured's** failure to comply with the terms, conditions or contractual obligations under this Policy including failure to pay the deductible when due; or
3. Nonpayment of premium when due.

The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Actual delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to mailing.

If the **Named Insured** cancels, earned premium shall be computed in accordance with the customary short rate table and procedure after applying the minimum earned premium amount set forth in Item 6. of the Declarations. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be either at the time of cancellation is affected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition precedent to the effectiveness of cancellation.

F. CHANGES

Notice to or knowledge possessed by any person or entity shall not effect waiver or change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy. The terms, definitions, conditions, exclusions and limitations of this Policy shall not be waived or changed, except as provided by endorsement issued by the Company attached to this Policy. No agent or broker has any authority to change or modify this Policy, waive any of its provisions, or issue any endorsements.

G. CHOICE OF FORUM

In the event that the **Insured** and the Company have any dispute concerning or relating to this Policy, including its formation, coverage provided hereunder, or the meaning, interpretation or operation of any term, condition, definition or provision of this Policy resulting in litigation, arbitration or other form of dispute resolution, the **Insured** agrees with the Company that any such litigation and any arbitration or other form of dispute resolution shall take place in the appropriate federal or state courts located in New York, New York.

H. CHOICE OF LAW

In the event that the **Insured** and the Company have any dispute concerning or relating to this Policy, including its formation, coverage provided hereunder, or the meaning, interpretation or operation of any term, condition, definition or provision of this Policy resulting in litigation, arbitration or other form of dispute resolution, the **Insured** agrees with the Company that the internal laws of the State of New York shall apply without giving effect to any conflicts or choice of law principles. The terms and conditions of this Policy shall not be deemed to constitute a contract of adhesion and shall not be construed in favor of or against any party hereto by reason or authorship or otherwise.

I. CONDITION OF PAYMENT

It is hereby agreed that any payment under this Policy shall only be made in full compliance with all United States of America economic and trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

J. COOPERATION

The **Insured** agrees with the Company to assist and cooperate in the fulfillment of the terms of the Policy, including the investigation, adjustment, defense or settlement of any **Claim** or in connection with the clean-up and mitigation of a **Pollution Incident**. Such cooperation may also include participating in meetings; requiring the **Insured** to submit to examination under oath; testifying at hearings, depositions and trials; or securing evidence. The Company may also require written statements or the **Insured's** attendance at meetings with the Company in the course of its investigation or defense. The **Insured** must assist the Company in effecting settlement and obtaining the attendance of witnesses. Further, the **Insured** must assist the Company in the pursuit of any coverage that may be available from other insurers or insurance policies for any amounts which also may be covered under this Policy. In addition, the **Insured** shall, to the extent feasible, permit and assist the Company and its representatives in interviewing persons and collecting documents and in viewing, inspecting, or reviewing at any time the **Covered Property**, any other property, or any documents related in any manner to this Policy, any **Claims** or **Loss**, or any coverage provided hereunder. No such inspection or review shall impose any liability, responsibility, or obligation on the Company of any nature. The **Insured** shall take any other actions to assist the Company as the Company may request from time to time.

K. ENFORCEABILITY

If any part of this policy is deemed invalid or unenforceable, it shall not affect the validity or enforceability of any other part of this policy, which shall be enforced to the full extent permitted by law.

L. HEADINGS

The descriptions in the headings of this Policy are solely for convenience and form no part of the Policy terms and conditions.

M. INDEPENDENT COUNSEL

In the event the **Insured** is entitled by law to select independent counsel to oversee the Company's defense of a **Claim** at the Company's expense, the attorney fees and all other litigation expenses the Company must pay to that counsel are limited to the rates the Company actually pays to counsel the Company retains in the ordinary course of business in the defense of similar **Claims** or suits in the community where the **Claim** arose or is being defended.

Additionally, the Company may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claims** or suits similar to the one pending against the **Insured** and to require such counsel have errors and omissions insurance coverage. As respects any such counsel, the **Insured** agrees that counsel will timely respond to our request for information regarding the **Claims** or suit.

Furthermore, the **Insured** may at any time, by the **Insured's** written consent, freely and fully waive these rights to select independent counsel.

N. OTHER INSURANCE

If other valid and collectible insurance is available to the **Insured** for **Claims**, **Emergency Response Expenses**, **Pollution Incidents**, **Loss**, **Remediation Expenses**, **Legal Costs**, **Business Interruption Expenses** or **Extra Expenses**, the Company's obligations are limited as follows:

1. This insurance is primary except when any other insurance is also primary. In that case, the Company will share with all the other insurance by the method described in Paragraph 2. below.
2. If the other insurance permits contribution by equal shares, the Company will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the **Claims**, **Emergency Response Expenses**, **Pollution Incidents**, **Loss**, **Remediation Expenses**, **Legal Costs**, **Business Interruption Expenses** or **Extra Expenses** payable under this Policy remains, whichever comes first.
3. If the other insurance does not permit contribution by equal shares, the Company will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

O. POLICY TERRITORY

This Policy and any coverage provided hereunder is only applicable to **Pollution Incidents** occurring in the United States, its territories and possessions.

P. REPRESENTATIONS

By accepting this Policy, the **Named Insured** agrees:

1. The statements in the Declarations and Application are true, accurate and complete in all respects and contain no material omissions;
2. Those statements are the **Named Insured's** agreements and representations; and
3. The Company has issued this Policy in reliance upon those statements and these representations.

Further, the **Named Insured** agrees that this Policy embodies all agreements existing between the **Insured** and the Company or any of its agents relating to this insurance.

Q. SEPARATION OF INSUREDS

Except with respect to the Limits of Liability, Section **III.,** Paragraph **J.** (**Insured** vs. **Insured**) and any rights and duties specifically assigned to the first **Named Insured** set forth in Item 1. of the Declarations, this insurance applies:

1. As if each **Insured** were the only **Insured**; and
2. Separately to each **Insured** against whom a **Claim** is made.

Misrepresentation, concealment, breach of condition or violation of any duty under this Policy by one **Insured** shall not prejudice the interest or coverage for another **Insured** who did not participate or assist in such misrepresentation, concealment, breach of condition or violation of duty, except where an **Insured** is a parent, subsidiary or affiliate of the **Insured** that misrepresented, concealed or breached a term or condition of or violated a duty under this Policy or participated or assisted therein.

R. SERVICE OF SUIT

Subject to and without waiving the forum selection clause in Section **VII.**, Paragraph **G.** of this Policy, it is agreed that in the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the **Insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States, 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. It is further agreed that service of process in such suit may be made upon the Company, and that in any suit instituted against the Company upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner, Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

S. SOLE AGENT

The **Named Insured** first identified in Item 1. of the Declarations is responsible for payment of all premiums and deductibles, and will act as the sole agent on behalf of all **Insureds** with respect to provision and receipt of notice(s), including notice of cancellation or non-renewal, receipt and acceptance of any endorsement(s) or any other changes to this Policy, return of any premium, assignment of interest under this Policy, as well as exercise of any applicable **Extended Reporting Period**, unless any such responsibilities are otherwise designated by endorsement.

T. SUBROGATION

In the event of any payment under this Policy, the Company shall be subrogated to all of an **Insured's** rights of recovery against any person or entity, including without limitation any rights to contribution from another insurer. An **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure and perfect such rights. No **Insured** shall do anything to impair, reduce, impede, prejudice, curtail or waive such rights. Any recovery obtained through subrogation, after expenses incurred in such subrogation are deducted by the Company, shall be applied first to the **Insured** to the extent of any payments in excess of the limit of coverage, if any; then to the Company to the extent of its payment under the Policy; and then to the **Insured** to the extent of its deductible.

U. VOLUNTARY PAYMENTS AND ADMISSION OF LIABILITY

No **Insured** shall admit liability, settle or attempt to settle or otherwise dispose of any **Claim**, waive or extend any statute of limitation or statute of repose or the accrual thereof, or, except at the **Insured's** own cost, voluntarily make any payment, assume any obligation, or incur any expense without the Company's prior written consent.

This Condition shall not apply if such payment or obligation is an **Emergency Response Expense** or is pursuant to **Environmental Laws** that require immediate remediation of a **Pollution Incident.**

VIII. EXTENDED REPORTING PERIOD

A. AUTOMATIC EXTENDED REPORTING PERIOD

The **Named Insured** shall be entitled to an Automatic **Extended Reporting Period** for a period of ninety (90) days following the effective date of termination of this Policy for no additional premium. This Automatic **Extended Reporting Period** shall not apply where:

1. the **Named Insured** has purchased the Optional **Extended Reporting Period** available under paragraph **B**. below;
2. the Policy is terminated for fraud or non-payment of premium; or
3. the **Insured** has purchased other insurance to replace the insurance provided under this Policy.

The Automatic **Extended Reporting Period** shall apply as follows:

1. A **Claim** first made against the **Insured** during the **Policy Period** and reported to the Company, in writing, during the ninety (90) days immediately following the effective date of such termination will be deemed to have been made on the last day of the **Policy Period,** provided that the **Claim** is otherwise covered under this Policy.
2. A **Claim** first made against the **Insured** and reported to the Company, in writing, during the ninety (90) days immediately following the effective date of such termination will be deemed to have been made on the last day of the **Policy Period**, provided such **Claim** arises from a **Pollution Incident** which commenced prior to such termination and is otherwise covered under this Policy.

B. OPTIONAL EXTENDED REPORTING PERIOD

The **Named Insured** shall be entitled (except if this Policy is terminated for fraud or the non-payment of premium) to purchase an Optional **Extended Reporting Period** upon termination of this Policy subject to the following terms and conditions:

3. The **Named Insured** shall be entitled to purchase an Optional **Extended Reporting Period** of up to forty-eight (48) months beginning on the effective date of termination of this Policy for an additional premium of not more than 200% of the total Policy premium, provided that the **Named Insured** requests such Optional **Extended Reporting Period** in writing within thirty (30) days of the effective date of termination of this Policy;
4. Once the **Named Insured** has paid the additional premium, the Optional **Extended Reporting Period** may not be cancelled by the Company, and such premium shall be fully earned; and
5. The Optional **Extended Reporting Period** shall apply only to **Claims** first made against the **Insured** and reported to the Company during the Optional **Extended Reporting Period**, but only if such **Claims** arise from a **Pollution Incident** which commenced prior to termination of this Policy and are otherwise covered by this Policy.

It is a condition precedent to the coverage provided in this paragraph **B.** that the **Named Insured** pay any additional premium within thirty (30) days of such termination.

Neither the Automatic **Extended Reporting Period** nor the Optional **Extended Reporting Period** shall modify, reinstate or increase the limits of liability of this Policy, and any payment made during the Automatic **Extended Reporting Period** or the Optional **Extended Reporting Period** shall reduce the available limits of liability.

IX. DEFINITIONS

A. **Bodily Injury** means physical injury, sickness, disease, building-related illness, mental anguish, shock or emotional distress, sustained by any person, including death resulting therefrom. **Bodily Injury** shall also include medical monitoring costs.

B. Business Interruption Expense means:

1. net profit or loss, including Rental Value, before taxes that would have been earned or incurred by the Insured during the Period of Interruption; and
2. continuing normal operating expenses incurred by the **Insured** during the **Period of Interruption**, including payroll expense for employees of the **Insured**, except employees under contract, officers, executives, and department managers,

due to the reasonable and necessary interruption of the **Insured's** operations at an **Covered Property** during the **Period of Interruption**.

If the **Insured** would have incurred a net loss under Paragraph **B**.1. above, such net loss shall reduce the operating expenses recoverable under Paragraph **B**.2. above.

C. Cargo means goods, products, or waste transported for delivery by a carrier properly licensed to transport such goods, products or waste.

D. Claim means a demand, notice or assertion of a legal right alleging liability or responsibility on the part of the Insured.

E. Conveyance means any auto, railcar, train, watercraft or aircraft. **Conveyance** shall not include pipelines.

F. Covered Property means any location owned, leased, rented, operated or occupied by the **Insured.**

G. Emergency Response Expenses means reasonable and necessary expenses, including Legal Costs incurred with the Company's prior written consent which consent shall not be unreasonably withheld or delayed, incurred in the remediation of soil, surfacewater, groundwater or other **Pollutants** that must be and are incurred:

1. in response to a **Pollution Incident** that necessitate immediate action; and
2. within seven (7) days of the commencement of such **Pollution Incident** or as approved by the Company in writing.

Emergency Response Expenses do not include any expenses, damages, costs or any other liability of any nature for **Bodily Injury**.

H. Environmental Laws means any federal, state, provincial, municipal or local laws, including, but not limited to, statutes, rules, ordinances, guidance documents, regulations and all amendments thereto, including state voluntary cleanup or risk based action guidance, and governmental, judicial or administrative orders and directives, that are applicable to a **Pollution Incident.**

I. Environmental Professional means an individual approved and designated by the Company in writing who is duly certified or licensed in a recognized field of environmental science as required by a state board, a professional association, or both, who meet certain minimum qualifications and who maintain specified levels of errors and omissions insurance coverage acceptable to the Company. The Company shall consult with the insured in conjunction with the selection of the **Environmental Professional.**

J. Extended Reporting Period means the **Automatic Extended Reporting Period** or, if applicable, the **Optional Extended Reporting Period of** this Policy as set forth in Section **VIII.** of the Policy.

K. Extra Expenses means reasonable and necessary expenses incurred by the **Insured**, over and above the **Insured's continuing normal operating expenses, during the Period of Interruption**, that the Insured would not have incurred had there been no Pollution Incident discovered at the **Covered Property**, provided that the expenses are incurred solely to avoid or minimize the interruption of business and to continue operations:

1. at the **Covered Property**; or
2. at replacement or temporary location(s), including:

a. relocation expenses, including any expenses associated with alternate educational, including portable classrooms, or athletic facilities;

b. any associated increase in transportation costs; and

c. costs to equip and operate the replacement or temporary location(s).

Extra Expense will be reduced by any salvage or other value of property obtained for temporary or other use during the **Period of Interruption** that remains after the resumption of normal operations.

L. **Inception Date** means the applicable date set forth in Item 4. of the Declarations.

M. **Insured** means a **Named Insured**, and any past or present director, officer, partner, member, employee, temporary worker or leased worker of the **Named Insured.**

N. **Insured Contract** means those contracts or agreements, if any, listed on a Schedule of Insured Contracts endorsed to this Policy.

O. **Legal Costs** means attorneys' fees and other costs, charges and expenses incurred in the investigation, adjustment, defense, or settlement of any Claim for Loss, or in connection with the payment of any **Remediation Expenses. Legal Costs** include the fees and expenses of consultants, expert witnesses, accountants, court reporters, and other vendors, for goods or services in connection with such investigation, adjustment, defense, or settlement, whether incurred by the Insured, defense counsel, or the Company.

P. **Legionella** means legionella pneumophila.

Q. **Loss** means:

1. a monetary judgment, award or settlement of compensatory damages arising from **Bodily Injury** or **Property Damage;**
2. punitive, exemplary or multiplied damages, and civil fines, penalties and assessments to the extent any of the foregoing is insurable under applicable law, arising from **Bodily Injury** or **Property Damage**;
3. **Legal Costs**;
4. **Remediation Expenses**; and
5. **Emergency Response Expenses.**

R. **Mold Matter** means mold, mildew, or fungi, whether or not such **Mold Matter** is living.

S. **Named Insured** means:

1. the person or entity identified in Item 1. of the Declarations;
2. any business entity in which the person or entity listed in Item 1. of the Declarations has an ownership interest of 50% or more during the **Policy Period**; and
3. any other person or entity listed as a **Named Insured** by endorsement to this Policy.

T. **Natural Resource Damage** means the physical injury to or destruction of, as well as the assessment of such injury or destruction, including the resulting loss of value of 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 (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.)), any State, Local or Provincial government, any foreign government, any Native American tribe, or, if such resources are subject to a trust restriction on alienation, any member of a Native American tribe.

U. **Non-Owned Disposal Sites** means transfer, storage, treatment or disposal facilities which are utilized by the Insured for the transfer, storage, treatment or disposal of waste materials, which facilities are not owned, operated or rented by the **Insured**, provided that:

1. the transfer, storage, treatment or disposal facility is properly licensed and permitted by the appropriate federal, state or local authority to accept such waste materials as of the date of the transfer, storage, treatment or disposal of such waste materials; and
2. the transfer, storage or disposal facility is not listed on a proposed or final Federal National Priorities List (Superfund), or any equivalent state or local list as of the earlier of: a) the **Inception Date**; or b) the inception date of the first Site Pollution Incident Legal Liability Select policy issued by the Company to the **Insured** of which this is a continuous and uninterrupted renewal.

V. **Period of Interruption** means the period of time that begins with the interruption of the **Insured's** operations at a **Covered Property** due to a **Pollution Incident** and ends on the earliest of (1) when the **Covered Property** is reasonably restored to operations, (2) when the **Covered Property** should have been restored to operations with reasonable speed and quality, or (3) when business activities resume at a new permanent location. The expiration date of this policy will not reduce the **Period of Interruption. Period of Interruption** shall not include any period of time prior to the commencement of normal operations at a **Covered Property**, including but not limited to a delay in the opening of or a delay in the completion of construction at a **Covered Property.**

W. **Policy Period** means the applicable period stated in Item 4. of the Declarations. However, if this Policy is cancelled by the **Named Insured** or the Company, the **Policy Period** terminates on the effective date and time of cancellation.

X. **Pollutants** means any solid, liquid, gaseous or thermal irritant, or contaminant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials; waste materials, including medical, infectious and pathological wastes, at levels in excess of those naturally occurring. **Pollutants** includes electromagnetic fields, **Mold Matter** and **Legionella.**

Pollutants shall also include the following:

1. Caulk containing hazardous materials, including but not limited to polychlorinated biphenyls (PCBs);
2. Drinking water contaminated with hazardous materials, including but not limited to lead. However, no coverage under this Policy shall apply for **Remediation Expenses** related to lead pipes, including but not limited to the removal or replacement of such pipes or the installation of any water treatment equipment installed to remove or neutralize lead emanating from such pipes; and
3. Carbon monoxide.

Y. **Pollution Incident** means:

1. the presence of **Mold Matter**; and
2. the discharge, dispersal, release, escape, migration, or seepage of **Pollutants** on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

Pollution Incident includes the illicit abandonment of **Pollutants** at a **Covered Property** provided that such abandonment was committed by parties other than **Insureds** and without the knowledge of a **Responsible Insured**.

Z. **Property Damage** means:

1. Physical injury to or destruction of tangible property of parties other than the **Insured**, including the resulting loss of use of that property;
2. Loss of use of tangible property owned by parties other than the **Insured**, that is not physically injured or destroyed;
3. Diminished value of property owned by parties other than the **Insured;** and

4. **Natural Resource Damage**.

Property Damage does not include **Remediation Expenses**.

AA. Remediation Expenses means reasonable and necessary expenses, including associated Legal Costs incurred with the Company's prior written consent, incurred to investigate, remove, dispose of, abate, contain, treat, neutralize, monitor or test a **Pollution Incident**:

1. to the extent required by **Environmental Laws**, including but not limited to statutes, rules, ordinances, guidance documents, regulations and all amendments thereto, including state voluntary cleanup or risk based corrective action guidance, governing the liability or responsibilities of the **Insured** to respond to a **Pollution Incident**; or
2. in the absence of items in 1. above, to the extent recommended in writing by an **Environmental Professional**; or
3. to the extent incurred by the government or any political subdivision of the United States of America or any state thereof or Canada or any province thereof, or by parties other than **Insureds**.

Remediation Expenses also include **Restoration Costs**.

BB. Rental Value means:

1. the total anticipated rental income from tenant occupancy of the **Covered Property** as furnished and equipped by the **Insured**;
2. all charges that are the legal obligation of the tenant(s) pursuant to a lease and that would otherwise be the **Insured's** obligations, and
3. the fair rental value of any portion of the **Covered Property** that is occupied by the **Insured** during the **Period of Interruption**, less any rental income the **Insured** could earn:
    a. by complete or partial rental of the **Covered Property**, or
    b. by making use of other property on the **Covered Property** or elsewhere.

CC. Responsible Insured means:

1. the manager or supervisor of the **Named Insured** responsible for environmental, health and safety, legal or risk management affairs;
2. a principal or dean, or an assistant principal or dean; and
3. a superintendent or equivalent supervisor of a school or school district .

DD. Restoration Costs means reasonable and necessary costs incurred by the **Insured** with the Company's prior written consent, to repair, restore or replace real or personal property damaged in the course of incurring **Remediation Expenses** in order to restore the property to the condition it was in prior to the **Pollution Incident. Restoration Costs** shall not exceed the lesser of actual cash value of such real or personal property or the cost of repairing, restoring or replacing the damaged property with other property of like kind and quality. An adjustment for depreciation and physical condition shall be made in determining actual cash value. If a repair or replacement results in better than like kind or quality, the Company will not pay for the amount of the betterment, except to the extent such betterments of the damaged property entail the use of materials which are environmentally preferable to those materials which comprised the damaged property. Such environmentally preferable material must be certified as such by an applicable independent certifying body, where such certification is available, or, in the absence of such certification, based on the judgment of the Company in its sole discretion.

EE. Transportation means the movement of **Cargo** by a **Conveyance**, from the place where it is accepted by a carrier until it is moved:

1. To the place where the carrier finally delivers it; or
2. In the case of waste, to a waste disposal or treatment facility to which the carrier delivers it.

Transportation includes the carrier's loading and unloading of **Cargo** onto or from a conveyance provided that the loading or unloading is performed by or on behalf of the **Named Insured**.

FF. Underground Storage Tank means any tank, including any piping and appurtenances connected to the tank, that has at least ten (10) percent of its combined volume underground which is in existence as of the **Inception Date** or which is installed after the **Inception Date.**

GG. Waste Disposal Activities means the processing, treatment or disposal, or the arranging for the processing, treatment or disposal, of waste at a Non-Owned Disposal Site, provided that such waste first originates from a **Covered Property.**

IN WITNESS WHEREOF, the Insurer has caused this Policy to be executed and attested, but this Policy will not be valid unless countersigned by a duly authorized representative of the Insurer, to the extent required by applicable law.

Ironshore Specialty Insurance Company by:

Secretary

President