



Lloyd's Certificate

This Insurance is effected with certain Underwriters at Lloyd's, London.

This Certificate is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose syndicate numbers and the proportions underwritten by them can be ascertained from the office of the said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters hereby bind themselves severally and not jointly, each for his own part and not one for another, their Executors and Administrators.

The Assured is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

All inquiries regarding this Certificate should be addressed to the following Correspondent:

C J Coleman & Company Ltd
155 Minories, London EC3N 1BT, England

SLC-3 (USA) NMA2868 (24/08/00) Printed by the Corporation of Lloyd's.

CERTIFICATE PROVISIONS

- 1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
- 2. **Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those Underwriters at Lloyd's, London whose syndicate numbers can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
- 3. **Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
- 4. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.

Certificate number:

Insurance is effective with: Certain UNDERWRITERS AT LLOYD'S, LONDON 100%

Signed

Signed

Dated

Dated

By
For the Correspondent

By
For the Underwriters

SPECIMEN

Item 9. Recipient of Notice of Assured's claims or potential claims as per condition I of the Certificate:

CR Vince & Associates, Inc.
3100 Dundee Road,
Suite No.501, Northbrook, Illinois
TEL: 847 205 0444
FAX: 847 205 0409

Item 10. Choice of Law:

Attachments:

Application dated:
TRIA Notice dated:
Declaration dated:
NMA 2920 Terrorism Exclusion
NMA 464 War Exclusion
Common Defect Exclusion
Condominium Exclusion Endorsement
Design/Build Endorsement
Indirect Consequential Loss Exclusion
NMA 2969A US TRIA endorsement
NMA 1168 Small AP/RP clause
LSW 1022 Texas Complaints Notice
LSW 1023 Texas Surplus Lines Clause
General Liability Warranty
Delete as applicable

LLOYD'S, LONDON
ARCHITECTS/ENGINEERS PROFESSIONAL LIABILITY
CLAIMS MADE AND REPORTED INSURANCE CERTIFICATE

NOTICE

This is a claims made and reported Certificate. Unless stated otherwise coverage afforded under this insurance is limited to claims that:

- (a) are first made against the ASSURED during the CERTIFICATE PERIOD and reported in writing to the Underwriters either during the CERTIFICATE PERIOD, or within sixty (60) days after the expiration of the CERTIFICATE PERIOD and;
- (b) arise from PROFESSIONAL SERVICES rendered subsequent to the retroactive date stated in item 6 of the Declarations.

The limit of liability available to pay DAMAGES shall be reduced and may be completely exhausted by the payment of CLAIMS EXPENSES. DAMAGES and CLAIMS EXPENSES shall be applied against the Self-Insured Retention.

Please review this Certificate carefully with your insurance agent, broker or representative.

INSURING AGREEMENTS

The Underwriters, in consideration of the payment of the premium, and the ASSURED undertaking to promptly pay the Self-Insured Retention as described in Item 4 of the Declarations, and in reliance upon the statements and representations in the application and any supplemental materials submitted therewith, which are made a part hereof, and attached hereto and subject to all the terms and conditions of this Certificate, agree with the ASSURED as follows:

I. COVERAGE - PROFESSIONAL LIABILITY

To pay on behalf of the ASSURED those sums which the ASSURED shall become legally obligated to pay as "DAMAGES" by reason of a CLAIM first made against the ASSURED during the CERTIFICATE PERIOD and reported in writing to the Underwriters either during the CERTIFICATE PERIOD, or within sixty (60) days after the expiration of the CERTIFICATE PERIOD arising out of any negligent act, error or omission in rendering or failure to render PROFESSIONAL SERVICES by the ASSURED or by any person for whose negligent act, error or omission the ASSURED is legally responsible.

II. DEFENCE AND SETTLEMENT

- (a) The Underwriters shall have the right and duty to defend, subject to the limit of liability, a CLAIM against the ASSURED seeking DAMAGES which are payable under the terms of this insurance, even if any of the allegations of the CLAIM are groundless, false or fraudulent.
- (b) It is agreed that the limit of liability available to pay DAMAGES shall be reduced and may be completely exhausted by payment of CLAIMS EXPENSES. DAMAGES and CLAIMS EXPENSES shall be applied against the Self-Insured Retention.
- (c) The Underwriters shall have the right to make any investigation they deem necessary with respect to coverage, including, without limitation, any investigation with respect to the application, statements made in the application and any supplemental materials submitted therewith. The ASSURED shall submit for examination by a representative of the Underwriters, under oath if requested, in connection with all matters relating to this Certificate.
- (d) If the NAMED ASSURED shall refuse to consent to any settlement or compromise recommended by the Underwriters and acceptable to the claimant and elects to contest the CLAIM, Underwriters' liability for any DAMAGES and CLAIMS EXPENSES shall not exceed the amount for which the CLAIM could have been settled including the CLAIMS EXPENSES incurred up to the time of such refusal, or the applicable limit of liability, whichever is less and the Underwriters shall have the right to withdraw from the further defence thereof by tendering control of said defence to the NAMED ASSURED.

- (e) It is further provided that the Underwriters shall not be obligated to pay any DAMAGES OR CLAIMS EXPENSES or to undertake or continue defence of a CLAIM after the applicable limit of liability has been exhausted by payment of DAMAGES or CLAIMS EXPENSES, and that upon such payment, the Underwriters shall have the right to withdraw from the further defence thereof by tendering control of said defence to the NAMED ASSURED.

III. LIMIT OF LIABILITY

The Limit of Liability of the Underwriters for all CLAIMS covered under the terms of the Certificate, regardless of the number of CLAIMS, shall not exceed the amount of the Limit of Liability stated in Item 3 of the Declarations. Neither the inclusion herein of more than one ASSURED, nor the making of CLAIMS by more than one person or entity, shall increase the Limit of Liability.

IV. SELF-INSURED RETENTION

The Self-Insured Retention amount stated in Item 4 of the Declarations shall apply separately to each and every CLAIM and shall apply to DAMAGES and CLAIMS EXPENSES, separately or in combination. Subject to the Limit of Liability stated in Item 3 of the Declarations, the obligation of the Underwriters to pay on behalf of the ASSURED for DAMAGES and CLAIMS EXPENSES, separately or in combination, shall only be in excess of the Self-Insured Retention amount, and only after the Assured has fully paid the Self-Insured Retention.

V. TERRITORY

The insurance afforded herein applies worldwide.

EXCLUSIONS

- A. This Certificate shall not apply to CLAIMS or CLAIMS EXPENSES arising out of:
- I. Any facts or circumstances in respect of which the ASSURED, prior to the commencement of this Certificate, has given notice to any insurer on any other insurance.
 - II. Any facts or circumstances known to the ASSURED prior to commencement of this Certificate which a reasonably prudent person, if aware of said facts or circumstances, might expect to give rise to a CLAIM against the ASSURED;
 - III. Any fraudulent, criminal, malicious or knowingly or intentionally wrongful or dishonest acts, errors or omissions of any ASSURED. However, nothing contained in the foregoing shall exclude coverage to the NAMED ASSURED or to any other ASSURED who neither committed nor had knowledge of such acts, errors or omissions as described above except that this Certificate shall then only pay in excess of the full extent of the assets in the NAMED ASSURED of any ASSURED who committed such acts, errors or omissions as described above, and any other personal assets of such ASSURED recovered by the NAMED ASSURED shall inure, to the extent of the amount paid by this Certificate, to the benefit of Underwriters;
 - IV. Any liability of one or more ASSUREDS under this Certificate to any other one or more ASSUREDS under this Certificate;
 - V. Any projects where project specific professional liability insurance has been purchased and is in force, unless specifically endorsed hereon;
 - VI. The advising or requiring of, or failure to advise or require, or failure to maintain any form of insurance, suretyship or bond, either with respect to the ASSURED or any other person;
 - VII. Personal injury, bodily injury, sickness, disease or death to any employee of the ASSURED arising out of and in the course of employment by the Assured; or any

obligation which the Assured or any carrier as insurer may be liable under any worker's compensation, unemployment compensation, employers liability, disability benefits law or under any similar law;

VIII. Express warranties and guarantees: Hold harmless agreements except for the negligence of the Assured arising out of the performance of Professional Services;

IX. The design or manufacture of any goods or products which are sold or supplied by the ASSURED or by others under license from the ASSURED;

X Professional Services performed for any entity which:

- a. is operated, managed or controlled by the ASSURED or in which the ASSURED has an ownership interest in excess of 15%; or in which the ASSURED is an officer or director; or
- b. wholly or partly owns, operates, controls or manages the ASSURED.

This exclusion does not apply to legal liability that arises out of a negligent act, error or omission in the performance of the ASSURED'S PROFESSIONAL SERVICES in a joint venture.

XI directly or indirectly, or resulting from or in consequence of, or in any way involving:

- a. asbestos, or any materials containing asbestos in whatever form or quantity; or
- b. the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; or
- c. any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; or
- d. any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins.

XII. any claim or claims directly or indirectly brought about by, arising out of or attributable to any actual or alleged violation of the Racketeer Influenced and Corrupt Organisations Act, 18 USC Sections 1961 et seq., or any comparable state law, and any amendments thereto, or any rules or regulations promulgated thereunder.

B. U.S.A. Nuclear Incident Exclusion Clause – Liability – Direct (Broad) 17/3/60 NMA1256

This certificate does not apply:

I. Under any Liability Coverage, to injury, sickness, disease, death or destruction

- [a] with respect to which an insured under the certificate is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- [b] resulting from the hazardous properties of nuclear material and with respect to which [1] any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or [2] the insured is, or had this certificate 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.

II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if
- [a] the nuclear material [1] is at any nuclear facility owned by, or operated by or on behalf of, an insured or [2] has been discharged or dispersed therefrom;
 - [b] 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
 - [c] the injury, sickness, disease, death or destruction 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 [c] applies only to injury to or destruction of property at such nuclear facility.

IV. As used in this exclusion:

"**hazardous properties**" include radioactive, toxic or explosive properties; "**nuclear material**" means source material, special nuclear material or byproduct material; "**source material**", "**special nuclear material**", and "**byproduct material**" have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; "**spent fuel**" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "**waste**" means any waste material [1] containing byproduct material and [2] resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph [a] or [b] thereof; "**nuclear facility**" means

- [a] any nuclear reactor,
- [b] any equipment or device designed or used for [1] separating the isotopes of uranium or plutonium, [2] processing or utilizing spent fuel, or [3] 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 the 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,
- [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; "**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.

With respect to injury to or destruction of property, the word "**injury**" or "**destruction**" includes all forms of radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this clause is subject to the terms, exclusions, conditions and limitations of the Certificate to which it is attached.

C. Radioactive Contamination Exclusion Clause - Liability-Direct U.S.A. 13/2/64 NMA1477

In relation to liability arising outside the U.S.A., its Territories or Possessions, Puerto Rico or the Canal Zone, this Certificate does not cover any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

DEFINITIONS

As used throughout this Certificate, whether expressed in singular or plural:

- I. ASSURED shall mean:
 - (a) the NAMED ASSURED designated in Item 1 of the Declarations;
 - (b) a present principal, partner, director or officer of the NAMED ASSURED but only while acting in his capacity as such on behalf of the NAMED ASSURED;
 - (c) a present employee of the NAMED ASSURED but only while acting in his capacity as such on behalf of the NAMED ASSURED;
 - (d) a former principal, partner, director, officer or employee (and estate of any such former principal, partner, director, officer or employee) of the NAMED ASSURED, but only while acting in his capacity as such on behalf of the NAMED ASSURED during the period of such service with the NAMED ASSURED; provided always that any such ASSURED must have been performing those PROFESSIONAL SERVICES.
 - (e) the legal heir, executor, administrator or legal representative of the ASSURED in the event of the ASSURED's death, incapacity or bankruptcy, but only with respect to the performance of PROFESSIONAL SERVICES;
- II. CLAIM shall mean: (a) the ASSURED'S receipt of a written demand for money or services or a request for arbitration; or, (b) the ASSURED'S receipt of a suit seeking relief against it, which is covered under the terms of the Certificate. Two or more CLAIMS arising from a single or related series of negligent acts, errors or omissions shall be considered as a single CLAIM if such claims arise out of the performance of Professional Services for a single project and entered under a single contract, excepting a single project does not include projects constructed in phases. Each phase, for the purpose of this Certificate, shall be considered a single project. For the purposes of this Certificate, irrespective of the number of claimants and/or negligent acts, errors omissions all CLAIMS shall be deemed to have been made at the time of the first CLAIM.
- III. CLAIMS EXPENSES shall mean those fees, costs and expenses incurred by an attorney consented to by the Underwriters to represent the ASSURED and all other costs, charges and expenses incurred for the investigation, adjustment, settlement, arbitration, defence or appeal of a CLAIM which is covered under the terms of the Certificate.

CLAIMS EXPENSES do not include salaries of Underwriters' employees, representatives or officials, or fees and expenses of independent adjusters or supervisory counsel.
- IV. DAMAGES shall mean a judgment, award or settlement, including any interest thereon. The term DAMAGES shall not include sanctions, fines, penalties, taxes, return of fees, multiple damages, exemplary damages, punitive damages and any matters uninsurable under the law under which this Certificate shall be construed.
- V. NAMED ASSURED shall mean only those persons, partnerships, corporations or entities specified in Item 1 of the Declarations. The term NAMED ASSURED shall not include any partnerships, corporations or entities formed or acquired by the NAMED ASSURED subsequent to the inception date of this Certificate unless specifically endorsed hereon.
- VI. CERTIFICATE PERIOD shall mean that period between the inception and expiration dates specified in Item 2 of the Declarations subject to any earlier termination date.
- VII. PROFESSIONAL SERVICES shall mean only those services provided by the ASSURED acting in the capacity of an architect, engineer, construction manager, landscape architect, land surveyor, planner or as specifically endorsed hereon.

CONDITIONS

I. A. NOTICE OF CLAIMS

If any CLAIM is made against the ASSURED, whether or not the alleged DAMAGES fall within or in excess of the Self-Insured Retention, the ASSURED shall have the duty to immediately give written notice to the Underwriters' representatives.

Such written notice must contain complete details of the CLAIM, the exact date the CLAIM was first made, the location, the circumstances giving rise to such CLAIM, the identity of all claimants and a full description of the nature and scope of the alleged DAMAGES. The ASSURED must immediately forward every demand, notice, summons or other process received by it or its representative, upon receipt thereof, to Underwriters' representatives, as per item 9 of the Declarations.

B. NOTICE OF CIRCUMSTANCES

If the ASSURED becomes aware of any specific negligent act, error or omission which may reasonably be expected to give rise to a CLAIM, the ASSURED shall, during the CERTIFICATE PERIOD, give written notice to Underwriters of:

- (i) the specific act, error or omission;
- (ii) the injury or damage which has or may result from such act, error or omission; and
- (iii) the circumstance by which the ASSURED first became aware of such act, error or omission.

Then if the ASSURED complies with the foregoing notice requirements (i), (ii) and (iii), any CLAIM subsequently made against the ASSURED arising out of such act, error or omission shall be treated as a CLAIM first made on the date on which such written notice was received by Underwriters.

For purposes of providing notice to Underwriters under CONDITIONS I B, such notice shall be given to the Underwriters' representatives as per item 9 of the Declarations.

II. PURCHASE OF EXTENDED REPORTING PERIOD

If the Underwriters cancel or refuse to renew this Certificate, the ASSURED shall then have the right, in consideration of an additional premium equal to one hundred and thirty percent of the full annual Premium charged hereunder, to an extension of the cover granted by this Certificate, subject to its terms, conditions, exclusions, definitions and limitations, in respect of any CLAIM first made against the ASSURED and reported in writing to the Underwriters during the period of twelve (12) months after the cancellation or expiry date of this Certificate but only when such CLAIM arises as a result of PROFESSIONAL SERVICES rendered subsequent to the retroactive date and prior to the cancellation date of this Certificate, or the Expiration date stated in Item 2 of the Declarations.

To exercise this right, the ASSURED must give notice in writing within thirty(30) days of the cancellation or expiry date of this Certificate, to the Underwriters' representatives named in Item 8 of the Declarations and remit full payment of the premium for this Extended Reporting Period to Underwriters within thirty (30) days of the cancellation or expiry date of this Certificate. In the event of failure by the ASSURED to give such notice and remit such premium prior to such date, it shall not at a later date be able to invoke this extension. The mailing by the ASSURED by registered mail of notice to the persons designated in Item 8 of the Declarations shall be sufficient proof of notice.

In the event of the purchase of the Extended Reporting Period, the entire premium therefor shall be deemed earned at its commencement and in the event the ASSURED terminates the Extended Reporting Period before its term for any reason, Underwriters shall not be liable to return any portion of the premium paid for the Extended Reporting Period.

The quotation by Underwriters of a different premium or Self-Insured Retention or Limit of Liability or changes in certificate language for the purpose of renewal shall not constitute a refusal to renew by the Underwriters.

This Condition II does not apply if the ASSURED has failed to pay the full premium for this Certificate or if the Underwriters have given notice of cancellation for a lack of such full payment of Premium.

The purchase of the Extended Reporting Period shall not reinstate or increase the Limit of Liability as stated in item 3 of the Declarations.

III. COOPERATION AND ASSISTANCE OF THE ASSURED

The ASSURED shall have the duty to cooperate fully with and assist the Underwriters and their representatives with respect to the investigation, settlement or defence of any CLAIM or potential CLAIM.

It is expressly understood however that in no event shall the ASSURED be reimbursed for loss of earnings or fees, or for internal expenses or costs incurred in cooperating with or assisting the Underwriters in investigating or settling any CLAIM at the direction of the Underwriters or in the ASSURED'S defence of any CLAIM, nor shall any such loss of earnings or fees or costs or expenses apply to the ASSURED'S responsibility to pay the Self-Insured Retention.

However, the above condition does not apply to reasonable costs incurred in securing the co-operation of former principals, officers or employees in the defence of a CLAIM otherwise covered herein.

IV. ADMISSION OF LIABILITY

The ASSURED shall not, without the prior written consent of the Underwriters, incur any expenses, including but not limited to forgoing or reducing any compensation due or alleged to be due, or make any other payment, assume any obligation, make any settlement, attempt any remedial measure or in any way admit or acknowledge liability in connection with any CLAIM or potential CLAIM.

V. NO ACTION AGAINST UNDERWRITERS

No action shall lie against the Underwriters or their representatives unless, as a condition precedent thereto, the ASSURED shall have fully complied with all the terms and conditions of this Certificate, or until the amount of any DAMAGES has been finally determined either by operation of law or by written agreement of the ASSURED, the claimant and the Underwriters.

Nothing contained in this Certificate shall give any person or organisation any right to join Underwriters as a defendant or co-defendant or other party in any action against the ASSURED to determine the ASSURED'S liability.

VI. OTHER INSURANCE

The coverage afforded by this Certificate shall be excess of all other applicable professional liability insurance, whether or not valid or collectible, including any Self-Insured Retention portion thereof.

VII. CHANGES

None of the Insuring Agreements, Exclusions, Definitions or Conditions or other terms of this Certificate shall be amended, waived or otherwise changed except by endorsement hereto signed by the Underwriters.

VIII. NAMED ASSURED AS AGENT

The NAMED ASSURED specified in Item 1 of the Declarations shall be considered the agent of all ASSUREDS with respect to the giving of or receipt of all notices pertaining to this Certificate and shall be responsible for the payment to the Underwriters of all premiums and for payment of the Self-Insured Retention.

IX. PREMIUM

The premium for this Certificate shall be the amount specified in Item 5 of the Declarations.

X. SUBROGATION

In the event of any CLAIM under this Certificate, the Underwriters shall be subrogated to all of the ASSURED'S rights of recovery against any person or entity, and the ASSURED shall execute and deliver to the Underwriters any and all necessary documentation, instruments and records and do whatever else is necessary to secure and enforce such rights. The ASSURED shall take no action after such CLAIM is made against it which prejudices such rights of Underwriters.

XI. ASSIGNMENT

No assignment or transfer of any ASSURED'S rights under this Certificate shall bind the Underwriters.

XII. APPLICATION

By acceptance of this Certificate, all ASSUREDs agree that the statements contained in the application and any supplemental materials submitted therewith are their agreements and representations, that this Certificate is issued in reliance upon the truth thereof, and that this Certificate embodies all agreements existing between themselves and the Underwriters. The application and any supplemental materials submitted therewith or a copy thereof is attached to and is specifically made a part of this Certificate and is the basis upon which this Certificate is issued.

XIII. CANCELLATION

The NAMED ASSURED may cancel this Certificate by mailing, registered mail, to the person named in Item 8 of the Declarations written notice stating when thereafter such cancellation shall be effective.

The Underwriters may cancel this Certificate by mailing to the NAMED ASSURED, at the mailing address specified in Item 1 of the Declarations, written notice stating when not less than thirty (30) days thereafter such cancellation shall be effective except that for nonpayment of premium, not less than ten (10) days advance notice of cancellation shall be given.

The mailing of notice as aforesaid shall be sufficient proof of the intent to cancel. The date and hour of cancellation specified in such notice shall represent the time of termination of this Certificate. Delivery of such notice shall be equivalent to mailing.

If the NAMED ASSURED cancels, thirty percent of the premium shall be deemed earned upon inception of the certificate and the remaining earned premium shall be computed in accordance with the customary short rate. If the Underwriters cancel, the earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable thereafter, but payment or tender of unearned premium or the return of this Certificate shall not be a condition of cancellation.

If the Limit of Liability stated in Item 3 of the Declarations has been exhausted by payment of CLAIMS, the premium shall be deemed earned and Underwriters shall not be liable for return of any premium paid.

XIV. FORFEITURE

Any (a) action or failure to act by the ASSURED with the intent to defraud the Underwriters or (b) material misrepresentation or non-disclosure of any material fact by the ASSURED in the application or in any supplemental materials submitted therewith shall render this Certificate null and void, and all coverage hereunder shall be forfeited.

XV. SERVICE OF SUIT

It is agreed that in the event of the failure of Underwriters hereon to pay any amount claimed to be due under this Certificate, Underwriters hereon, at the request of the ASSURED, will submit to the jurisdiction of a court of competent jurisdiction within the United States. This Condition does not constitute and should not be understood to constitute an agreement by Underwriters that an action is properly maintained in a specific forum, nor may it be construed as a waiver of Underwriters' rights to commence an action in a 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 of the United States, all of which rights Underwriters expressly reserve. It is further agreed that service of process in such suit may be made upon the Underwriters' representatives specified for that purpose in Item 7 of the Declarations.

The Underwriters' representatives are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the ASSURED to give written undertaking to the ASSURED that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted. Further, pursuant to any statute of any state, territory or district of the United States which makes provision thereof, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceedings instituted by or on behalf of the ASSURED or any legal representative of the ASSURED arising out of this contract of insurance, and hereby designate the Underwriters' representatives as the persons to whom the said officer is authorized to mail such process or a true copy thereof.

XVI. CHOICE OF LAW CLAUSE

In consideration of the premium charged for this certificate, it is hereby understood and agreed by both the ASSURED and the Underwriters that any dispute concerning the interpretation of this Certificate shall be governed by the laws of the state designated in item 10 of the declarations.

XVII. SEVERAL LIABILITY NOTICE LSW1001

The subscribing insurers' obligations under certificate to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

ADDITIONAL WORDINGS AND CLAUSES

TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

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WAR AND CIVIL WAR EXCLUSION CLAUSE

(Approved by Lloyd's Underwriters' Non-Marine Association)

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

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NMA464

COMMON DEFECT EXCLUSION

This Certificate shall not apply to CLAIMS or CLAIMS EXPENSES arising out of any negligent act, error or omission in the design, plans or specification prepared by the ASSURED or by any person for whose negligent act, error or omission the ASSURED is legally responsible which results in a similar defect or common defect in more than one building constructed in accordance with such design, plans or specification.

CONDOMINIUM EXCLUSION ENDORSEMENT

This Certificate shall not apply to CLAIMS or CLAIMS EXPENSES arising out of any negligent act, error or omission in rendering or failure to render PROFESSIONAL SERVICES in connection with condominiums.

DESIGN/BUILD ENDORSEMENT

In connection with projects for which the ASSURED, a subsidiary of the ASSURED, a subcontractor of the ASSURED, an entity under common ownership, or an entity that owns the ASSURED performs PROFESSIONAL SERVICES and construction, erection, fabrication, installation, assembly, manufacture, or the supply of equipment or materials incorporated therein, the following Exclusions are added:

"This Certificate shall not apply to CLAIMS or CLAIMS EXPENSES arising out of:

- I. The acquisition of any real estate or the securing of financing for the acquisition of any real estate;
- II. The advising or requiring of, or failure to advise or require or failure to maintain or procure any financing or monies for the payment of any portion of any project, or of services or labor connected with any project;
- III. Cost overruns or the exceeding of any budget or other cost limitation;
- IV. Failure to complete any construction in a timely manner or within a prescribed period of time;
- V. The insolvency or bankruptcy of the ASSURED or any contractor, subcontractor or supplier of the ASSURED;
- VI. The preparation or failure to prepare any safety precautions or procedures in connection with any project;
- VII. The preparation or failure to prepare quantity surveys;
- VIII. Any faulty workmanship, construction or work not in accordance with the design of the project or the construction documents (including but not limited to the drawings and specifications) if such work is performed by:
 - A. the ASSURED, or
 - B. a subcontractor of the ASSURED,
 - C. any enterprise and/or any subsidiary of any enterprise that any ASSURED controls, manages, operates, or holds ownership in or any enterprise that controls, manages, operates, or holds ownership in the NAMED ASSURED.

INDIRECT CONSEQUENTIAL LOSS EXCLUSION ENDORSEMENT

This certificate shall not apply to claims or claims expenses arising out of any financial or economic loss, loss of profits, loss of use, loss of production, loss of contracts or liquidated damages suffered by any person other than the person to whom the insured/assured shall directly render, or fail to render, professional services.

U.S. TERRORISM RISK INSURANCE ACT OF 2002 NEW & RENEWAL BUSINESS ENDORSEMENT

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as summarized in the disclosure notice.

In consideration of an additional premium of US\$ _____ paid, being for the period up to December 31, 2005, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002" ("TRIA").

The coverage afforded by this endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002". The coverage provided by this Endorsement shall expire at 12:00 midnight December 31, 2005, the date on which the TRIA Program is scheduled to terminate, and shall not cover any losses or events which arise after that date. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of the U.S. Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment of terrorism losses.

NMA2969A

25/11/04

Form approved by Lloyd's Market Association [Non-Marine]

SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE

For attachment to insurances in or covering insureds in the following states:

**Alaska
Illinois
Kentucky
Oregon
Utah
Washington**

NOTWITHSTANDING anything to the contrary contained herein and in consideration of the premium for which this Insurance is written, it is understood and agreed that whenever an additional or return premium of \$2 or less becomes due from or to the Assured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the Assured will be waived or the return of such premium to the Assured will not be made, as the case may be.

N.M.A. 1168

**TEXAS COMPLAINTS NOTICE
IMPORTANT NOTICE**

1. To obtain information or make a complaint:
 - (a) You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:
1-800-252-3439
 - (b) You may write to the Texas Department of Insurance:
P.O. Box 149104,
Austin, TX 78714-9104,
Fax # (512) 475-1771

2. PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

3. ATTACH THIS NOTICE TO YOUR POLICY:

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

04/98
LSW1022

TEXAS SURPLUS LINES CLAUSE

"THIS Insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as a surplus lines coverage pursuant to the Texas Insurance Statutes. The State Board of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and this insurer is not a member of the Property and Casualty Insurance Guaranty Association created under Article 21.28-C, Insurance Code. Article 1.14.2, Insurance Code, requires payment of 4.85 percent tax on gross premium."

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LSW1023

GENERAL LIABILITY WARRANTY

It is a condition hereunder that the ASSURED maintain General Liability Insurance with a limit of liability at least equal to that afforded by this certificate, except for any reduction of said limit due to the liability to pay CLAIMS or CLAIMS EXPENSES thereunder. Should the ASSURED fail to do so, Underwriters reserve the right to cancel this

certificate with respect to any CLAIM from the date of such failure or the date of inception stated in the declarations, whichever is the later.

**SUBJECT OTHERWISE TO THE TERMS, EXCLUSIONS, CONDITIONS
AND ENDORSEMENTS OF THIS CERTIFICATE**