IN THE SUPREME COURT OF THE STATE OF NEVADA

ZURICH AMERICAN INS. CO., et al.

Plaintiffs - Appellants

v.

IRONSHORE SPECIALTY INS. CO.

Defendant - Respondent

Case No.: 81428

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APPELLANTS' APPENDIX
Volume XVIII

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Case No. 81428

Appellants' Appendix – Index

Volume	Description	Page
6	Amended Third Party Complaint filed in Seven Hills, Exhibit 36 in Support of Zurich's Motion for Summary Judgment	1259-1272
16-17	Answer and Third Party Complaint in the *Garcia* action dated September 30, 2010, Exhibit 98 in Support of Ironshore's Motion for Summary Judgment	3999-4021
13	Answer and Third-Party Complaint filed by William Lyon Homes, Inc. on February 18, 2011, in the *Stallion Mountain* action, Exhibit 58 in Support of Ironshore's Motion for Summary Judgment	3191-3208
1	Answer of Ironshore to First Amended Complaint filed 04/02/15	0046-0087
1	Answer of Ironshore to Second Amended Complaint filed 10/14/15	0132-0180
18	Answer of KB Home Nevada Inc. and Third-Party Complaint filed on November 23, 2010, in the *Sanchez* action , Exhibit 118 in Support of Ironshore's Motion for Summary Judgment	4272-4309
16	Answer to Complaint for Damages and Third-Party Complaint filed by D.W. Arnold, Inc. on May 31, 2013, in the *Clark* action, Exhibit 91 in Support of Ironshore's Motion for Summary Judgment	3848-3871
8-20	Appendix (Exs. 1-162) In Support of Ironshore's Motion for Summary Judgment filed 09/19/16	1955-1970 3085-3100 4071-4086
1-8	Appendix (Exs. 1-75) In Support of Zurich's Motion for Partial Summary Judgment filed 09/16/16	0211-0214
9	Burkett & Wong preliminary defects list August 1, 2008, Exhibit 8 in Support of Ironshore's Motion for Summary Judgment	2151-2154
5	Chapter 40 Notice served in Mohan, Exhibit 33 in Support of Zurich's Motion for Summary Judgment	1236-1238

20	Claim Summary Report for Cedco/*Anthem* dated November 11, 2013 , Exhibit 142 in Support of Ironshore's Motion for Summary Judgment	4756-4762
20	Claim Summary Report for Cedco/*Mohan* dated February 1, 2012 , Exhibit 144 in Support of Ironshore's Motion for Summary Judgment	4769-4773
20	Claim Summary Report for Cedco/*Seven Hills* dated February 4, 2013 , Exhibit 143 in Support of Ironshore's Motion for Summary Judgment	4763-4768
20	Claim Summary Report for Champion Masonry/*Marcel* dated August 11, 2014 , Exhibit 158 in Support of Ironshore's Motion for Summary Judgment	4880-4884
20	Claim Summary Report for Debard Plumbing/*Drost* dated November 21, 2012 , Exhibit 145 in Support of Ironshore's Motion for Summary Judgment	4774-4778
20	Claim Summary Report for Debard Plumbing/*Lino* dated August 26, 2014 , Exhibit 147 in Support of Ironshore's Motion for Summary Judgment	4800-4804
20	Claim Summary Report for Debard Plumbing/*Wikey* dated December 2, 2013 , Exhibit 149 in Support of Ironshore's Motion for Summary Judgment	4837-4842
20	Claim Summary Report for JP Construction/*Casallas* dated August 20, 2014 , Exhibit 156 in Support of Ironshore's Motion for Summary Judgment	4872-4875
20	Claim Summary Report for Laird Whipple/*Bennett* dated September 27, 2012 , Exhibit 151 in Support of Ironshore's Motion for Summary Judgment	4845-4850
20	Claim Summary Report for PR Construction/*Boyer* dated May 19, 2014 , Exhibit 160 in Support of Ironshore's Motion for Summary Judgment	4891-4895
20	Claim Summary Report for R.A.M.M. Corporation/*Sanchez* dated February 25, 2013 , Exhibit 159 in Support of Ironshore's Motion for Summary Judgment	4885-4890
20	Claim Summary Report for Stewart & Sundell/*Anthem* dated February 10, 2014 , Exhibit 153 in Support of Ironshore's Motion for Summary Judgment	4854-4859
20	Claim Summary Report for Stewart & Sundell/*Stallion Mountain* dated July 8, 2011 , Exhibit 154 in Support of Ironshore's Motion for Summary Judgment	4860-4865

20	Claim Summary Report for Stewart & Sundell/*Sun City* dated July 24, 2012 , Exhibit 155 in Support of Ironshore's Motion for Summary Judgment	4866-4871
20	Claim Summary Report for Universal Framing/*Clark* dated November 14, 2013 , Exhibit 157 in Support of Ironshore's Motion for Summary Judgment	4876-4879
18	Close of Escrow Matrix , Exhibit 128 in Support of Ironshore's Motion for Summary Judgment	4496-4498
5	Complaint filed in Anthem, Exhibit 31 in Support of Zurich's Motion for Summary Judgment	1192-1216
7	Complaint filed in Anthem, Exhibit 56 in Support of Zurich's Motion for Summary Judgment	1597-1621
6-7	Complaint filed in Bennett, Exhibit 52 in Support of Zurich's Motion for Summary Judgment	1499-1534
6	Complaint filed in Casallas, Exhibit 50 in Support of Zurich's Motion for Summary Judgment	1456-1479
7-8	Complaint filed in Clark, Exhibit 62 in Support of Zurich's Motion for Summary Judgment	1717-1753
6	Complaint filed in Drost, Exhibit 44 in Support of Zurich's Motion for Summary Judgment	1369-1382
6	Complaint filed in Marcel, Exhibit 42 in Support of Zurich's Motion for Summary Judgment	1341-1355
5-6	Complaint filed in Seven Hills, Exhibit 35 in Support of Zurich's Motion for Summary Judgment	1242-1258
7	Complaint filed in Stallion Mountain, Exhibit 58 in Support of Zurich's Motion for Summary Judgment	1641-1651
7	Complaint filed in Sun City, Exhibit 60 in Support of Zurich's Motion for Summary Judgment	1672-1683
6	Complaint filed in Wikey, Exhibit 48 in Support of Zurich's Motion for Summary Judgment	1427-1439
11	Complaint filed on December 29, 2011, in the Lino action, Exhibit 27 in Support of Ironshore's Motion for Summary Judgment	2588-2599
9	Complaint filed on February 3, 2011, in *Anthem* action, Exhibit 5 in Support of Ironshore's Motion for Summary Judgment	2104-2128

14	Complaint filed on January 22, 2010, in the *Sun City* action, Exhibit 66 in Support of Ironshore's Motion for Summary Judgment	3285-3296
17	Complaint filed on January 5, 2012, in the *Marcel* action , Exhibit 110 in Support of Ironshore's Motion for Summary Judgment	4121-4135
12	Complaint filed on March 3, 2008 in the *Bennett* action, Exhibit 40 in Support of Ironshore's Motion for Summary Judgment	2835-2899
16	Complaint filed on May 20, 2013, in the *Clark* action, Exhibit 90 in Support of Ironshore's Motion for Summary Judgment	3810-3847
11	Complaint filed on October 23, 2012, in the *Drost* action, Exhibit 22 in Support of Ironshore's Motion for Summary Judgment	2543-2554
13	Complaint filed on September 18, 2009, in the *Stallion Mountain* action, Exhibit 57 in Support of Ironshore's Motion for Summary Judgment	3180-3190
13	Complaint for Damages filed on February 3, 2011, in the *Anthem* action, Exhibit 52 in Support of Ironshore's Motion for Summary Judgment	3113-3137
17	Correspondence between Midlands and Ironshore dated November 1, 2012, Exhibit 106 in Support of Ironshore's Motion for Summary Judgment	4087-4090
8	Declaration of Mary Frances Nolan In Support of Ironshore's Motion for Summary Judgment filed 09/19/16	1896-1948
8	Declaration of Philip D. Witte In Support of Ironshore's Motion for Summary Judgment filed 09/19/16	1949-1954
1	Declaration of William Reeves In Support of Zurich's Motion for Partial Summary Judgment filed 09/16/16	0205-0210
8	Declaration William C. Morison In Support of Ironshore's Motion for Summary Judgment filed 09/19/16	1890-1895
5	Denial Letter (Cedco/Anthem), Exhibit 14 in Support of Zurich's Motion for Summary Judgment	1005-1017

5	Denial Letter (Cedco/Mohan), Exhibit 15 in Support of Zurich's Motion for Summary Judgment	1018-1026
5	Denial Letter (Cedco/Seven Hills), Exhibit 16 in Support of Zurich's Motion for Summary Judgment	1027-1035
5	Denial Letter (Centex Homes/Garcia), Exhibit 17 in Support of Zurich's Motion for Summary Judgment	1036-1049
5	Denial Letter (Champion Masonry/Marcel), Exhibit 18 in Support of Zurich's Motion for Summary Judgment	1050-1059
5	Denial Letter (Debard Plumbing/Drost), Exhibit 19 in Support of Zurich's Motion for Summary Judgment	1060-1072
5	Denial Letter (Debard Plumbing/Lino), Exhibit 20 in Support of Zurich's Motion for Summary Judgment	1073-1081
5	Denial Letter (Debard Plumbing/Wikey), Exhibit 21 in Support of Zurich's Motion for Summary Judgment	1082-1090
5	Denial Letter (JP Construction/Casallas), Exhibit 22 in Support of Zurich's Motion for Summary Judgment	1091-1103
5	Denial Letter (JP Construction/Casallas), Exhibit 23 in Support of Zurich's Motion for Summary Judgment	1104-1116
5	Denial Letter (Laird Whipple/Bennett), Exhibit 24 in Support of Zurich's Motion for Summary Judgment	1117-1125
5	Denial Letter (Laird Whipple/Bennett), Exhibit 25 in Support of Zurich's Motion for Summary Judgment	1126-1134
5	Denial Letter (PR Construction/Boyer), Exhibit 26 in Support of Zurich's Motion for Summary Judgment	1135-1147
5	Denial Letter (Stewart & Sundell), Exhibit 29 in Support of Zurich's Motion for Summary Judgment	1172-1180
5	Denial Letter (Stewart & Sundell/Anthem), Exhibit 27 in Support of Zurich's Motion for Summary Judgment	1148-1159
5	Denial Letter (Stewart & Sundell/Stallion Mountain), Exhibit 28 in Support of Zurich's Motion for Summary Judgment	1160-1171
5	Denial Letter (Universal Framing/Clark), Exhibit 30 in Support of Zurich's Motion for Summary Judgment	1181-1191
16	Disclaimer letter from Certus to Universal Framing dated July 12, 2013, Exhibit 94 in Support of Ironshore's Motion for Summary Judgment	3880-3890

10	Disclaimer letter from Midlands to Cedco dated December 21, 2011, Exhibit 20 in Support of Ironshore's Motion for Summary Judgment	2472-2480
9-10	Disclaimer letter from Midlands to Cedco dated March 11, 2013, Exhibit 11 in Support of Ironshore's Motion for Summary Judgment	2240-2252
17	Disclaimer letter from Midlands to Champion Masonry dated September 15, 2010, Exhibit 103 in Support of Ironshore's Motion for Summary Judgment	4060-4068
11	Disclaimer letter from Midlands to Debard Plumbing dated January 25, 2011, Exhibit 36 in Support of Ironshore's Motion for Summary Judgment	2665-2673
11	Disclaimer letter from Midlands to Debard Plumbing dated November 5, 2012, Exhibit 26 in Support of Ironshore's Motion for Summary Judgment	2575-2587
11	Disclaimer letter from Midlands to Debard Plumbing December 13, 2011, Exhibit 33 in Support of Ironshore's Motion for Summary Judgment	2630-2638
14	Disclaimer letter from Midlands to Helm & Associates August 26, 2010, Exhibit 62 in Support of Ironshore's Motion for Summary Judgment	3256-3264
10	Disclaimer letter from Midlands to Helm & Associates dated April 26, 2010, Exhibit 17 in Support of Ironshore's Motion for Summary Judgment	2388-2396
15	Disclaimer letter from Midlands to JP Construction dated June 21, 2012, for policy effective February 18, 2008-2009, Exhibit 85 in Support of Ironshore's Motion for Summary Judgment	3656-3668
15	Disclaimer letter from Midlands to JP Construction dated June 21, 2012, for policy effective February 18, 2009-2010, Exhibit 86 in Support of Ironshore's Motion for Summary Judgment	3669-3681
15	Disclaimer letter from Midlands to JP Construction dated June 21, 2012, for policy effective February 18, 2010-2011, Exhibit 87 in Support of Ironshore's Motion for Summary Judgment	3682-3694
14	Disclaimer letter from Midlands to Koeller Nebeker and disclaimer letter from Midlands to Helm & Associates dated May 28, 2010, Exhibit 70 in Support of Ironshore's Motion for Summary Judgment	3340-3356

17	Disclaimer letter from Midlands to Lee, Hernandez law firm dated November 6, 2012 , Exhibit 107 in Support of Ironshore's Motion for Summary Judgment	4091-4104
12	Disclaimer letter from Midlands to Southwest Foundations dated May 27, 2011 for policy effective April 15, 2010-2011, Exhibit 46 in Support of Ironshore's Motion for Summary Judgment	2941-2950
12	Disclaimer letter from Midlands to Southwest Foundations dated May 27, 2011 for policy effective April 15, 2009-2010, Exhibit 45 in Support of Ironshore's Motion for Summary Judgment	2933-2941
13	Disclaimer letter from Midlands to Stewart & Sundell dated November 17, 2009, Exhibit 51 in Support of Ironshore's Motion for Summary Judgment	3101-3112
11	Email from Zurich to Midlands dated November 29, 2011, Exhibit 31 in Support of Ironshore's Motion for Summary Judgment	2624-2625
20	Excerpt from claim notes of Plaintiffs' adjuster regarding Debard Plumbing/*Lino* dated January 25, 2012 , Exhibit 161 in Support of Ironshore's Motion for Summary Judgment	4896-4897
13	Excerpt from Claim Notes recording receipt of November 24, 2008 letter from counsel for Terravita Home Construction Company to Stewart & Sundell, Exhibit 49 in Support of Ironshore's Motion for Summary Judgment	3077-3079
18	Excerpt from the Midlands adjuster's claim notes incorporating an email dated August 22, 2012 , Exhibit 127 in Support of Ironshore's Motion for Summary Judgment	4494-4495
19	Excerpt from the Midlands adjuster's claim notes incorporating an email dated August 22, 2012 , Exhibit 130 in Support of Ironshore's Motion for Summary Judgment	4517-4518
13	Excerpt of Midlands Claim Notes for this claim, Exhibit 55 in Support of Ironshore's Motion for Summary Judgment	3162-3165
14	Excerpt of Midlands Claim Notes, Exhibit 64 in Support of Ironshore's Motion for Summary Judgment	3269-3271
8	Excerpts of Deposition of Ironshore PMK taken in NV1, Exhibit 66 in Support of Zurich's Motion for Summary Judgment	1786-1801

8	Excerpts of Deposition of Ironshore PMK taken in this case, Exhibit 67 in Support of Zurich's Motion for Summary Judgment	1802-1836
19	Excerpts of October 2, 2015 certified deposition transcript of Bettyann Canzone , Exhibit 140 in Support of Ironshore's Motion for Summary Judgment	4714-4722
19-20	Excerpts of October 2, 2015 certified deposition transcript of Bryan Key , Exhibit 141 in Support of Ironshore's Motion for Summary Judgment	4723-4755
19	Excerpts of September 28, 2015 certified deposition transcript of Andra Byrd , Exhibit 135 in Support of Ironshore's Motion for Summary Judgment	4559-4579
19	Excerpts of September 28, 2015 certified deposition transcript of Brett Richardt , Exhibit 136 in Support of Ironshore's Motion for Summary Judgment	4580-4632
19	Excerpts of September 28, 2015 certified deposition transcript of Douglas Westhoff , Exhibit 137 in Support of Ironshore's Motion for Summary Judgment	4633-4662
19	Excerpts of September 29, 2015 certified deposition transcript of Rachael Crammer , Exhibit 138 in Support of Ironshore's Motion for Summary Judgment	4663-4687
19	Excerpts of September 29, 2015 certified deposition transcript of Elizabeth Del Rosario , Exhibit 139 in Support of Ironshore's Motion for Summary Judgment	4688-4713
9	Excerpts of various Subcontracts between Cedco and Terravita Home Construction, Exhibit 9 in Support of Ironshore's Motion for Summary Judgment	2155-2235
15	First Amended Class Action Construction Defect Complaint filed on January 7, 2011, in the *Casallas* action, Exhibit 74 in Support of Ironshore's Motion for Summary Judgment	3520-3534
6	First Amended Complaint filed in Garcia, Exhibit 37 in Support of Zurich's Motion for Summary Judgment	1273-1304
6	First Amended Complaint filed in Lino, Exhibit 46 in Support of Zurich's Motion for Summary Judgment	1396-1408
17-18	First Amended Complaint filed on November 1, 2010, in the *Sanchez* action , Exhibit 117 in Support of Ironshore's Motion for Summary Judgment	4240-4271

16	First Amended Construction Complaint filed on September 8, 2010, in the *Garcia* action, Exhibit 97 in Support of Ironshore's Motion for Summary Judgment	3957-3998
20	First page of declaration pages of policies insuring Tom Hopson dba Universal Framing or Universal Framing LLC issued by one or more Plaintiffs , Exhibit 162 in Support of Ironshore's Motion for Summary Judgment	4898-4903
20	Homeowner Matrix for Laird Whipple/*Bennett* , Exhibit 152 in Support of Ironshore's Motion for Summary Judgment	4851-4853
15	Homeowners Matrixes (2) , Exhibit 81 in Support of Ironshore's Motion for Summary Judgment	3621-3643
17	Homeowners/Close of Escrow Matrix, Exhibit 99 in Support of Ironshore's Motion for Summary Judgment	4022-4036
4	Ironshore Policy No. 000115801 (PR Construction), Exhibit 10 in Support of Zurich's Motion for Summary Judgment	0762-0818
18	Ironshore policy no. 000115801, issued to PR Construction Corporation, for the policy period of January 31, 2010, to January 31, 2011 , Exhibit 123 in Support of Ironshore's Motion for Summary Judgment	4392-4449
3	Ironshore Policy No. 000143201 (JP Construction), Exhibit 6 in Support of Zurich's Motion for Summary Judgment	0521-0573
14-15	Ironshore policy no. 000143201 for policy period of February 18, 2010, to February 18, 2011, Exhibit 73 in Support of Ironshore's Motion for Summary Judgment	3466-3519
4	Ironshore Policy No. 000167401 (Stewart & Sundell), Exhibit 12 in Support of Zurich's Motion for Summary Judgment	0880-0942
2	Ironshore Policy No. 000194200 (Cedco),Exhibit 2 in Support of Zurich's Motion for Summary Judgment	0278-0340
8-9	Ironshore policy no. 000194200 for policy period of April 1, 2010, to April 1, 2011, Exhibit 3 in Support of Ironshore's Motion for Summary Judgment	1976-2039
9	Ironshore policy no. 000194200 for policy period of June 1, 2009, to April 1, 2010, Exhibit 4 in Support of Ironshore's Motion for Summary Judgment	2040-2103

3	Ironshore Policy No. 000242101 (Laird Whipple), Exhibit 8 in Support of Zurich's Motion for Summary Judgment	0637-0702
12	Ironshore policy no. 000242101 for policy period of April 15, 2010, to April 15, 2011, Exhibit 39 in Support of Ironshore's Motion for Summary Judgment	2768-2834
13	Ironshore policy no. 00167401 for policy period of March 1, 2010, to March 1, 2011, Exhibit 48 in Support of Ironshore's Motion for Summary Judgment	3013-3076
2-3	Ironshore Policy No. 00CQE0905001 (JP Construction), Exhibit 5 in Support of Zurich's Motion for Summary Judgment	0465-0520
14	Ironshore policy no. 00CQE0905001 for policy period of February 18, 2009, to February 18, 2010, Exhibit 72 in Support of Ironshore's Motion for Summary Judgment	3408-3465
4-5	Ironshore Policy No. 00T960905001 (Universal Framing), Exhibit 13 in Support of Zurich's Motion for Summary Judgment	0943-1004
15-16	Ironshore policy no. 00T960905001 for policy period of October 13, 2009, to October 13, 2010, Exhibit 89 in Support of Ironshore's Motion for Summary Judgment	3747-3809
3-4	Ironshore Policy No. 00XXV0905001 (PR Construction), Exhibit 9 in Support of Zurich's Motion for Summary Judgment	0703-0761
18	Ironshore policy no. 00XXV0905001, issued to PR Construction Corporation, for the policy period of January 31, 2009, to January 31, 2010 , Exhibit 122 in Support of Ironshore's Motion for Summary Judgment	4332-4391
2	Ironshore Policy No. 011040905001 (Champion Masonry), Exhibit 3 in Support of Zurich's Motion for Summary Judgment	0341-0403
16	Ironshore policy no. 011040905001 for policy period of May 31, 2009, to May 31, 2010, Exhibit 95 in Support of Ironshore's Motion for Summary Judgment	3891-3954
2	Ironshore Policy No. 0110N0905001 (Debard Plumbing), Exhibit 4 in Support of Zurich's Motion for Summary Judgment	0404-0464

10-11	Ironshore policy no. 0110N0905001 for policy period of April 6, 2009, to April 6, 2010, Exhibit 21 in Support of Ironshore's Motion for Summary Judgment	2481-2542
4	Ironshore Policy No. 012A80905001 (Stewart & Sundell), Exhibit 11 in Support of Zurich's Motion for Summary Judgment	0819-0879
12-13	Ironshore policy no. 012A80905001 for policy period of March 1, 2009, to March 1, 2010, Exhibit 47 in Support of Ironshore's Motion for Summary Judgment	2951-3012
3	Ironshore Policy No. 017BW0905001 (Laird Whipple), Exhibit 7 in Support of Zurich's Motion for Summary Judgment	0574-0636
11-12	Ironshore policy no. 017BW0905001 for policy period of April 15, 2009, to April 15, 2010, Exhibit 38 in Support of Ironshore's Motion for Summary Judgment	2704-2767
1-2	Ironshore Policy No. 018ER0905001 (Cedco), Exhibit 1 in Support of Zurich's Motion for Summary Judgment	0215-0277
17	Ironshore policy no. IRH 00V6P085001, issued to R.A.M.M. Corporation, for the policy period of November 15, 2008, to November 15, 2009 , Exhibit 115 in Support of Ironshore's Motion for Summary Judgment	4168-4224
19	Ironshore’s Amended Notices of Deposition dated August 28, 2015, Exhibit 133 in Support of Ironshore's Motion for Summary Judgment	4537-4549
19	Ironshore’s Notice of Deposition dated September 11, 2015 , Exhibit 134 in Support of Ironshore's Motion for Summary Judgment	4550-4558
8	Judgment entered in NV1, Exhibit 65 in Support of Zurich's Motion for Summary Judgment	1784-1785
21	Judgment filed 08/24/17	5050-5050
11	Letter from Castronova Law Offices to Ironshore dated September 27, 2011, Exhibit 29 in Support of Ironshore's Motion for Summary Judgment	2617-2620
17	Letter from Certus Claims to Lukestar Corp. dba Champion Masonry dated August 6, 2013 , Exhibit 114 in Support of Ironshore's Motion for Summary Judgment	4155-4167

	Letter from Certus to Ironshore dated August 6, 2013 , Exhibit 113 in Support of Ironshore's Motion for Summary Judgment	4152-4154
16	Letter from Certus to Ironshore dated July 12, 2013, Exhibit 93 in Support of Ironshore's Motion for Summary Judgment	3877-3879
17	Letter from counsel for Centex to Champion Masonry dated November 20, 2009, Exhibit 100 in Support of Ironshore's Motion for Summary Judgment	4037-4053
11	Letter from counsel for K&M Homes to Debard Plumbing dated October 11, 2010, Exhibit 34 in Support of Ironshore's Motion for Summary Judgment	2639-2660
19	Letter from counsel for PR Construction to Midlands dated October 4, 2012 , Exhibit 132 in Support of Ironshore's Motion for Summary Judgment	4532-4536
15	Letter from Dallas National Insurance Company's counsel to United Specialty Insurance Company dated June 12, 2012, Exhibit 77 in Support of Ironshore's Motion for Summary Judgment	3579-3582
10	Letter from Helm & Associates to Ironshore and others dated September 24, 2009, Exhibit 14 in Support of Ironshore's Motion for Summary Judgment	2285-2380
13	Letter from Helm & Associates to Ironshore date September 18, 2009, Exhibit 56 in Support of Ironshore's Motion for Summary Judgment	3166-3179
19	Letter from Ironshore to PR Construction dated August 29, 2012, Exhibit 131 in Support of Ironshore's Motion for Summary Judgment	4519-4531
17	Letter from KB Home Nevada, Inc.'s counsel to Midlands Claim Administrators dated October 29, 2012, Exhibit 116 in Support of Ironshore's Motion for Summary Judgment	4225-4239
14	Letter from Koeller Nebeker to Stewart & Sundell dated September 25, 2008, Exhibit 65 in Support of Ironshore's Motion for Summary Judgment	3272-3284
10	Letter from Midlands to Ironshore dated April 26, 2010, Exhibit 16 in Support of Ironshore's Motion for Summary Judgment	2384-2387
14	Letter from Midlands to Ironshore dated August 26, 2010, Exhibit 61 in Support of Ironshore's Motion for Summary Judgment	3252-3255

11	Letter from Midlands to Ironshore dated December 13, 2011, Exhibit 32 in Support of Ironshore's Motion for Summary Judgment	2626-2629
10	Letter from Midlands to Ironshore dated December 21, 2011, Exhibit 19 in Support of Ironshore's Motion for Summary Judgment	2468-2471
11	Letter from Midlands to Ironshore dated January 25, 2011, Exhibit 35 in Support of Ironshore's Motion for Summary Judgment	2661-2664
15	Letter from Midlands to Ironshore dated June 20, 2012, for policy effective February 18, 2010-2011, Exhibit 84 in Support of Ironshore's Motion for Summary Judgment	3652-3655
15	Letter from Midlands to Ironshore dated June 21, 2012, for policy effective February 18, 2008-2009, Exhibit 82 in Support of Ironshore's Motion for Summary Judgment	3644-3647
15	Letter from Midlands to Ironshore dated June 21, 2012, for policy effective February 18, 2009-2010, Exhibit 83 in Support of Ironshore's Motion for Summary Judgment	3648-3651
9	Letter from Midlands to Ironshore dated March 11, 2013, Exhibit 10 in Support of Ironshore's Motion for Summary Judgment	2236-2239
12	Letter from Midlands to Ironshore dated May 27, 2011 for policy effective April 15, 2009- 2010, Exhibit 43 in Support of Ironshore's Motion for Summary Judgment	2925-2928
12	Letter from Midlands to Ironshore dated May 27, 2011 for policy effective April 15, 2010-2011, Exhibit 44 in Support of Ironshore's Motion for Summary Judgment	2929-2932
18	Letter from Midlands to Ironshore dated November 14, 2012 , Exhibit 119 in Support of Ironshore's Motion for Summary Judgment	4310-4313
13	Letter from Midlands to Ironshore dated November 17, 2009, Exhibit 50 in Support of Ironshore's Motion for Summary Judgment	3080-3084
11	Letter from Midlands to Ironshore dated November 5, 2012, Exhibit 25 in Support of Ironshore's Motion for Summary Judgment	2571-2574

17	Letter from Midlands to Ironshore dated September 15, 2010, Exhibit 102 in Support of Ironshore's Motion for Summary Judgment	4056-4059
18	Letter from Midlands to R.A.M.M. Corporation dated November 14, 2012 , Exhibit 120 in Support of Ironshore's Motion for Summary Judgment	4314-4326
13	Letter from Stallion Mountain Homeowners' Association's counsel to William Lyon Homes, Inc. dated August 4, 2004, Exhibit 59 in Support of Ironshore's Motion for Summary Judgment	3209-3237
11	Letter from Zurich to Ironshore and others dated October 17, 2012, Exhibit 24 in Support of Ironshore's Motion for Summary Judgment	2568-2570
14	Letter from Zurich to Ironshore dated April 27, 2010, Exhibit 68 in Support of Ironshore's Motion for Summary Judgment	3330-3333
12	Letter from Zurich to Ironshore dated April 29, 2011, Exhibit 42 in Support of Ironshore's Motion for Summary Judgment	2922-2924
18	Letter from Zurich to Ironshore dated August 1, 2012 , Exhibit 126 in Support of Ironshore's Motion for Summary Judgment	4491-4493
9	Letter from Zurich to Ironshore dated August 18, 2011 without attachments (attachments are Exhs. 5, 6 and 8) , Exhibit 7 in Support of Ironshore's Motion for Summary Judgment	2148-2150
14	Letter from Zurich to Ironshore dated December 13, 2010, Exhibit 63 in Support of Ironshore's Motion for Summary Judgment	3265-3268
10	Letter from Zurich to Ironshore dated December 2, 2011, Exhibit 18 in Support of Ironshore's Motion for Summary Judgment	2397-2467
10	Letter from Zurich to Ironshore dated December 22, 2009, Exhibit 15 in Support of Ironshore's Motion for Summary Judgment	2381-2383
17	Letter from Zurich to Ironshore dated June 27, 2013 , Exhibit 108 in Support of Ironshore's Motion for Summary Judgment	4105-4107
11	Letter from Zurich to Ironshore dated March 1, 2012, Exhibit 37 in Support of Ironshore's Motion for Summary Judgment	2674-2703

11	Letter from Zurich to Ironshore dated November 10, 2011, Exhibit 30 in Support of Ironshore's Motion for Summary Judgment	2621-2623
16	Letter from Zurich to Ironshore dated November 17, 2011, Exhibit 96 in Support of Ironshore's Motion for Summary Judgment	3955-3956
18	Letter from Zurich to Midlands dated December 5, 2012 , Exhibit 121 in Support of Ironshore's Motion for Summary Judgment	4327-4331
13	Letter from Zurich to Midlands dated January 10, 2012, Exhibit 54 in Support of Ironshore's Motion for Summary Judgment	3157-3161
17	Litigation Escrow Matrix , Exhibit 112 in Support of Ironshore's Motion for Summary Judgment	4149-4151
17	Midlands claim note dated September 3, 2010, Exhibit 101 in Support of Ironshore's Motion for Summary Judgment	4054-4055
13-14	Midlands claim notes October 27, 2009-July 28, 2010, Exhibit 60 in Support of Ironshore's Motion for Summary Judgment	3238-3251
1	Motion for Partial Summary Judgment filed by Zurich filed 09/16/16	0181-0204
21	Motion for Relief From Judgment Filed by Zurich filed 09/20/17	5051-5056
8	Motion for Summary Judgment Filed by Ironshore filed 09/19/16	1860-1889
8	Notice of Acceptance of Offer filed in NV1, Exhibit 64 in Support of Zurich's Motion for Summary Judgment	1778-1783
21	Notice of Appeal filed 10/08/18	5083-5083
21	Notice of New Case Authority Filed by Ironshore filed 11/02/16	5012-5042
1	Notice of Removal filed 03/12/15	0001-0045
20-21	Opposition of Ironshore To Zurich's Motion for Partial Summary Judgment filed 10/11/16	4936-4965
21	Opposition of Ironshore to Zurich's Motion for Relief filed 10/04/17	5057-5066

20	Opposition of Zurich To Ironshore's Motion for Summary Judgment filed 10/11/16	4904-4935
21	Order Accepting Certified Questions filed 09/11/20	5103-5104
21	Order Certifying Question filed 07/02/20	5084-5102
21	Order Denying Motion filed 09/18/18	5076-5082
21	Order on Motions for Summary Judgment filed 08/24/17	5043-5049
10	Plaintiffs' Complaint filed on April 12, 2011, in *Seven Hills* action, Exhibit 12 in Support of Ironshore's Motion for Summary Judgment	2253-2269
8	Plaintiffs' Supplemental Disclosures, dated October 14, 2015, Exhibit 2 in Support of Ironshore's Motion for Summary Judgment	1972-1975
18-19	Portions of subcontracts stating PR Construction Corporation's scope of work , Exhibit 129 in Support of Ironshore's Motion for Summary Judgment	4499-4516
20	Preliminary Cost of Repair for Claim Summary Report for Debard Plumbing/*Drost* , Exhibit 146 in Support of Ironshore's Motion for Summary Judgment	4779-4799
8	Printout - Nevada Secretary of State website, Exhibit 75 in Support of Zurich's Motion for Summary Judgment	1857-1859
8	Printout - Nevada State Contractors Board website, Exhibit 74 in Support of Zurich's Motion for Summary Judgment	1855-1856
8	Proof of Service of Subpoena - Centex Homes, Exhibit 71 in Support of Zurich's Motion for Summary Judgment	1845-1846
8	Proof of Service of Subpoena - Champion Masonry, Exhibit 70 in Support of Zurich's Motion for Summary Judgment	1843-1844
20	Reconstruction Cost Guides and Estimates for Debard Plumbing/*Lino* June 2013 , Exhibit 148 in Support of Ironshore's Motion for Summary Judgment	4805-4836
20-21	Reply of Ironshore To Zurich's Motion for Summary Judgment filed 10/28/16	4992-5011

21	Reply of Zurich To Ironshore's Motion for Summary Judgment filed 10/28/16	4966-4991
21	Reply of Zurich to Opposition To Motion for Relief filed 10/11/17	5067-5075
6	Report issued as to Garcia, Exhibit 41 in Support of Zurich's Motion for Summary Judgment	1337-1340
17	Reserved, Exhibit 104 in Support of Ironshore's Motion for Summary Judgment	4069-4069
17	Reserved, Exhibit 105 in Support of Ironshore's Motion for Summary Judgment	4070-4070
8	Response to Subpoena - Centex Homes, Exhibit 73 in Support of Zurich's Motion for Summary Judgment	1849-1854
8	Response to Subpoena - Champion Masonry, Exhibit 72 in Support of Zurich's Motion for Summary Judgment	1847-1848
1	Second Amended Complaint filed 09/28/15	0088-0131
8	Second Amended Complaint, filed September 28, 2015. (See Docket No. 25.), Exhibit 1 in Support of Ironshore's Motion for Summary Judgment	1971-1971
16	Subcontract Agreement (excerpts) between D.W. Arnold, Inc. and Universal Framing, Exhibit 92 in Support of Ironshore's Motion for Summary Judgment	3872-3876
15	Subcontract Agreement between Coleman Development and J.P Construction Co., Inc. dated April 7, 2000, Exhibit 78 in Support of Ironshore's Motion for Summary Judgment	3583-3599
15	Subcontract Agreement between Coleman Development and J.P. Construction Co., Inc. dated September 27, 2000, Exhibit 79 in Support of Ironshore's Motion for Summary Judgment	3600-3611
15	Subcontract Agreement between Coleman Development and J.P. Construction Co., Inc. dated February 12, 2002, Exhibit 80 in Support of Ironshore's Motion for Summary Judgment	3612-3620
17	Subcontract between The Developers of Nevada, LLC and Champion Masonry dated April 20, 2001 , Exhibit 109 in Support of Ironshore's Motion for Summary Judgment	4108-4120

20	Subcontractor Allocation (cost of repair) for Debard Plumbing/*Wikey* dated December 17, 2012 , Exhibit 150 in Support of Ironshore's Motion for Summary Judgment	4843-4844
8	Subpoena - Centex Homes, Exhibit 69 in Support of Zurich's Motion for Summary Judgment	1840-1842
8	Subpoena - Champion Masonry, Exhibit 68 in Support of Zurich's Motion for Summary Judgment	1837-1839
14	Sun City Anthem – Lot Listing – Duplexes, Exhibit 69 in Support of Ironshore's Motion for Summary Judgment	3334-3339
6	Tender Letter in Garcia, Exhibit 39 in Support of Zurich's Motion for Summary Judgment	1328-1331
6	Tender Letter in Garcia, Exhibit 40 in Support of Zurich's Motion for Summary Judgment	1332-1336
5	Tender Letter served in Mohan, Exhibit 34 in Support of Zurich's Motion for Summary Judgment	1239-1241
15	Third Amended Class Action Construction Defect Complaint filed on August 29, 2011, in the *Casallas* action, Exhibit 75 in Support of Ironshore's Motion for Summary Judgment	3535-3559
7	Third Amended Complaint filed in Boyer, Exhibit 54 in Support of Zurich's Motion for Summary Judgment	1557-1579
18	Third Amended Complaint filed May 14, 2012, in the *Boyer* action , Exhibit 124 in Support of Ironshore's Motion for Summary Judgment	4450-4473
18	Third Party Complaint filed by PN II, Inc., on May 22, 2012, in the *Boyer* action , Exhibit 125 in Support of Ironshore's Motion for Summary Judgment	4474-4490
5	Third Party Complaint filed in Anthem, Exhibit 32 in Support of Zurich's Motion for Summary Judgment	1217-1235
7	Third Party Complaint filed in Anthem, Exhibit 57 in Support of Zurich's Motion for Summary Judgment	1622-1640
7	Third Party Complaint filed in Bennett, Exhibit 53 in Support of Zurich's Motion for Summary Judgment	1535-1556
7	Third Party Complaint filed in Boyer, Exhibit 55 in Support of Zurich's Motion for Summary Judgment	1580-1596

6	Third Party Complaint filed in Casallas, Exhibit 51 in Support of Zurich's Motion for Summary Judgment	1480-1498
8	Third Party Complaint filed in Clark, Exhibit 63 in Support of Zurich's Motion for Summary Judgment	1754-1777
6	Third Party Complaint filed in Garcia, Exhibit 38 in Support of Zurich's Motion for Summary Judgment	1305-1327
6	Third Party Complaint filed in Lino, Exhibit 47 in Support of Zurich's Motion for Summary Judgment	1409-1426
6	Third Party Complaint filed in Marcel, Exhibit 43 in Support of Zurich's Motion for Summary Judgment	1356-1368
7	Third Party Complaint filed in Stallion Mountain, Exhibit 59 in Support of Zurich's Motion for Summary Judgment	1652-1671
7	Third Party Complaint filed in Sun City, Exhibit 61 in Support of Zurich's Motion for Summary Judgment	1684-1716
6	Third Party Complaint filed in Wikey, Exhibit 49 in Support of Zurich's Motion for Summary Judgment	1440-1455
6	Third Party Complaint, Exhibit 45 in Support of Zurich's Motion for Summary Judgment	1383-1395
12	Third-Party Complaint filed by American West Homes, Inc. on November 14, 2008 in the *Bennett* action, Exhibit 41 in Support of Ironshore's Motion for Summary Judgment	2900-2921
10	Third-Party Complaint filed by Cedco, Inc. on March 27, 2012, in the *Seven Hills* action, Exhibit 13 in Support of Ironshore's Motion for Summary Judgment	2270-2284
14	Third-Party Complaint filed by Del Webb Communities, Inc., on March 18, 2010, in the *Sun City* action, Exhibit 67 in Support of Ironshore's Motion for Summary Judgment	3297-3329
11	Third-Party Complaint filed by Lakemont Copper Hills, LLC on August 1, 2012 in the Lino action, Exhibit 28 in Support of Ironshore's Motion for Summary Judgment	2600-2616
11	Third-Party Complaint filed by Silverwing Development on December 21, 2012, in the *Drost* action, Exhibit 23 in Support of Ironshore's Motion for Summary Judgment	2555-2567

9	Third-Party Complaint filed by Terravita Home Construction Company, Inc. on June 23, 2011, in the *Anthem* action, Exhibit 6 in Support of Ironshore's Motion for Summary Judgment	2129-2147
13	Third-Party Complaint filed by Terravita Home Construction Company, Inc. on June 23, 2011, in the *Anthem* action, Exhibit 53 in Support of Ironshore's Motion for Summary Judgment	3138-3156
17	Third-Party Complaint filed by The Developers of Nevada, LLC on May 28, 2013, in the *Marcel* action , Exhibit 111 in Support of Ironshore's Motion for Summary Judgment	4136-4148
15	Third-Party Complaint filed on February 9, 2012 by Baker-Coleman Construction, Inc., in the *Casallas* action, Exhibit 76 in Support of Ironshore's Motion for Summary Judgment	3560-3578
14	United Specialty policy no. IRH00CQE0805001 for policy period of February 18, 2008, to February 18, 2009, Exhibit 71 in Support of Ironshore's Motion for Summary Judgment	3357-3407
15	United Specialty policy no. IRH00T960805001 for policy period of October 13, 2008, to October 13, 2009, Exhibit 88 in Support of Ironshore's Motion for Summary Judgment	3695-3746

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195 196	CAROLYN MORGAN HERRICK CARL ALBERT HERRICK	11715 Village Arbor Las Vegas, NV 89183 77 Jewel Mine Las Vegas, NV 89183
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198	THOMAS GEARING	11901 Giles St. Las Vegas, NV 89183
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COMPLAINT FOR DAMAGES

Come Now Plaintiffs,

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EXHIBIT 117
(Part 2)

Plaintiff's First Amended Complaint filed on November 1, 2010, in Clark County District Court, Nevada, in the action captioned *Sanchez, et al. v. KB Home Nevada Inc.*, Case No. A-10-616730-D ("*Sanchez* action") (ISIC 4302-4331)
Part 2 (ISIC 4319-4331)

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all individually (hereinafter "Plaintiffs"), by and through their attorneys, Duane E. Shinnick, Esq. and Eric Ransavage, Esq., of the law firm of Shinnick, Ryan & Ransavage P.C., and for causes of action against Defendants, and each of them, allege and complain as follows:

GENERAL ALLEGATIONS

1. Plaintiffs are owners of individual residences within the housing development in Las Vegas, Nevada, in the subdivisions of TERRACINA PHASE 1, TERRACINA PHASE 2, TERRACINA PHASE 3, TERRACINA PHASE 4 TERRACINA PHASE 5, TERRACINA PHASE 6, TERRACINA PHASE 7, TERRACINA PHASE 8, TERRACINA PHASE 9, TERRACINA PHASE 10, TERRACINA 3 NORTH UNIT 1 TERRACINA 3 NORTH UNIT 2, TERRACINA 3 NORTH UNIT 3, TERRACINA 3 SOUTH UNIT 1, TERRACINA 3 SOUTH UNIT 2, TERRACINA 3 SOUTH UNIT 3, TERRACINA 3 SOUTH UNIT 4, TERRACINA SOUTH UNIT 1, TERRACINA SOUTH UNIT 2, TERRACINA 4, TERRACINA 2 UNIT 1, TERRACINA 2 UNIT 2, and TERRACINA 2 UNIT 3 as recorded with the Clark County Recorder in Plat Book 103, page 76, Plat Book 103, page 99, Plat Book 105, page 85, Plat Book 108, page 73, Plat Book 108, page 89, Plat Book 110, page 75, Plat Book 113, page 1, Plat Book 113, page 47, Plat Book 116, page 97, Plat Book 115, page 14, Plat Book 123, page 17, Plat Book 127, page 20, Plat Book 124, page 95, Plat Book 122, page 77, Plat Book 125, page 21, Plat Book 122, page 94, Plat Book 125, page 29, Plat Book 110, page 85, Plat Book 112, page 18, Plat Book 116, page 13, Plat Book 126, page 11, Plat Book 121, page 7, Plat Book 124, page 40, and Plat Book 127, page 29.

2. Pursuant to NRS 40.600 through 40.695 inclusive, Plaintiffs seek recovery for damages suffered by each unit owner as to their separate interests as delineated by law.

2a. Pursuant to NRS 40.645 Plaintiffs have in good faith attempted to serve written notice on all defendants by certified mail at the addresses listed on the Nevada State Contractors Board records, or at their last known addresses. Plaintiffs have substantially complied with the notice and pre-filing requirements of NRS 40.645.

3. The property and buildings thereupon will hereinafter sometimes be referred to as the "subject property."

4. NOT USED

5. The Defendants are identified as follows: Plaintiffs allege that Defendant KB HOME NEVADA INC. ("KB HOMES"), a Nevada Corporation, is authorized to do business in the State of Nevada and has conducted and/or now does conduct business within the County of Clark, State of Nevada, including but not limited to development, construction, improvement, conversion and/or sale of the subject property.

6. Plaintiffs allege that at all times herein mentioned, Defendants, and each of them, were the agents, servants and employees of each other and were acting in the course and scope of their agency or employment in doing the acts herein alleged.

7. Plaintiffs do not know the true names and capacities of defendants sued herein as Does I to 500, including, and therefore sue these defendants by such fictitious names. Plaintiffs are informed and believe, and thereon allege, that each of the said fictitiously named defendants are responsible in some manner for the defective and negligent engineering, architecture, construction, supply of improper materials, and inspection of the subject property single family homes, or in some other actionable manner were an integral part of the chain of development, construction and marketing of the subject property single family homes, and that Plaintiffs damages as herein alleged were proximately caused by their conduct. Plaintiffs pray for leave to amend this Complaint when the true names and capacities of such defendants are ascertained.

8. Defendants Does 1 through 500, inclusive, whether individual, corporate, associate or otherwise are fictitious names of defendants whose true names and capacities, at this time, are unknown to Plaintiffs. Plaintiffs are informed and believe and thereupon allege that at all times

herein mentioned each of the defendants sued herein as Does 1 through 500 was the agent, servant and employee of his or her co-defendants, and in doing the things hereinafter mentioned was acting in the scope of his or her authority as such agent, servant and employee, and with the permission and consent of his or her co-defendants; and that each of said fictitiously named defendants, whether an agent, corporation, association, or otherwise, is in some way liable or responsible to the Plaintiffs on the facts hereinafter alleged, and caused injuries and damages proximately thereby as hereinafter alleged. At such time as defendants' true names become known to Plaintiffs, Plaintiffs will ask leave of this Court to amend this Complaint to insert said true names and capacities.

9. Plaintiffs have discovered defects and damages within the periods of the applicable statutes of limitations that the subject property has and is experiencing defective conditions, in particular, there are damages stemming from, among other items, defectively built roofs, leaking windows, dirt coming through windows, drywall cracking, stucco cracking, stucco staining, water and insect intrusion through foundation slabs, and other poor workmanship.

It was the result of the representations by Defendants that they would repair the defects and their conduct in so performing some works of repair, as well their proposals for correcting the defects that induced Plaintiffs to withhold conducting their own independent investigation and/or filing suit against said Defendants. By virtue of the fact that Defendants were the developers, contractors and sellers of the subject property and aware of the particular nature of the project, including its design, composition, and component parts, and when said Defendants represented that Defendants would repair the defects and, in fact, some works of repair were commenced, Plaintiffs were justified in relying on said representations and conduct by said Defendants in permitting them to investigate and repair the defects. As a result of Defendants' conduct, Plaintiffs' obligation to commence an action against Defendants for the defects and/or damages set forth above was tolled pursuant to NRS 11.190.

On numerous occasions Defendants represented to Plaintiffs that the defective systems and materials were not inadequate, and that repairs had been successfully performed thereby inducing reasonable reliance thereupon by Plaintiffs that conditions were not in need of repairs, therefore, Defendants are estopped from asserting any potentially applicable statutes of limitations. Damage has also occurred at various times in the past, including progressive damage.

10. Within the last year, Plaintiffs have discovered that the subject property has and is experiencing additional defective conditions, in particular, there are damages stemming from, among other items, defectively built roofs, leaking windows, dirt coming through windows, drywall cracking, stucco cracking, stucco staining, water and insect intrusion through foundation slabs, and other poor workmanship.

FIRST CAUSE OF ACTION

(Breach of Contract and Breach of Express Warranties as Against All Defendants and Does 1 through 400)

11. Plaintiffs reallege and incorporate by reference paragraphs 1 through 10 of the Complaint as though fully set forth herein.

12. On or about various dates commencing in 2002, and continuing thereafter in the County of Clark, State of Nevada, the Plaintiffs and each of them or their predecessors in interest, entered into contracts in writing with Defendants for the purchase from said Defendants of one or more of the units in the subject property.

13. At the time of negotiations of said contracts, but before said contracts were executed between the Plaintiffs and/or their predecessors in interest and said Defendants, as an inducement to the Plaintiffs and/or their predecessors in interest to purchase said units, and as a part of the basis of the bargain of the parties that culminated in the making of the contracts, said Defendants expressly

warranted to Plaintiffs and/or their predecessors in interest that said units were constructed in conformity with the applicable building codes and the specific codes and regulations of Clark County, the approved plans and specifications, and that said structures were and are sound and safe, and would remain so.

14. The Plaintiffs purchased said homes in reliance on the express warranties, affirmations of fact, and promises made by Defendants. Plaintiffs, and each of them, have duly performed all the conditions and covenants of said contracts on their part to be performed.

15. Certain Plaintiffs and/or homeowners of the subject property, notified Defendants of said breach of contract and breach of warranties, and said Defendants have refused, and continue to refuse, to remedy these defects.

16. As a direct and proximate result of the breach of the express warranties (written and oral) by Defendants, and each of them, as herein above alleged, Plaintiffs suffered damages stemming from, among other items, defectively built roofs, leaking windows, dirt coming through windows, drywall cracking, stucco cracking, stucco staining, water and insect intrusion through foundation slabs, and other poor workmanship.

17. Plaintiffs have suffered damages in an amount not fully known, but believed to be within the jurisdiction of this Court in that they have been and will hereafter be required to perform works of repair, restoration, and construction to portions of the structures to prevent further damage and to restore the structures to their proper condition. Plaintiffs will establish the precise amount of such damages at trial, according to proof.

18. Plaintiffs are entitled to all damages set forth at NRS 40.655.

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SECOND CAUSE OF ACTION

(Breach of Implied Warranties-Third Party Beneficiary

as against Does 1 through 400)

19. Plaintiffs reallege and incorporate by reference paragraphs 1 through 18 of the Complaint as though fully set forth herein.

20. Plaintiffs are informed and believe and on that basis allege that Defendants and Doe defendants other than KB HOMES entered into contracts with these entities to perform certain services or work with regard to the design, construction and inspection of construction of the residences at the subject property. Plaintiffs and/or their predecessors in interest were third party beneficiaries of each and every such contract.

21. Further, said Doe defendants by entering into said contracts with KB HOMES and/or Plaintiffs and/or their predecessors in interest, impliedly warranted that said homes would be of good and merchantable quality and would be at least a quality as would be fit for the ordinary purpose for which such homes were to be used and would be habitable. Further, said Doe defendants impliedly warranted the quality of construction of the homes and common areas as provided in NRS 116.4114.

22. The Plaintiffs purchased their homes in reliance on the implied warranties and promises made by Doe defendants, and each of them. Plaintiffs have duly performed all of the covenants and conditions of said contracts on their part to be performed.

23. Certain Plaintiffs and/or Homeowners at the subject property have notified Doe defendants of said breach of implied warranties and said Doe defendants have refused and continue to refuse to remedy these defects.

24. As a direct and proximate result of the breach of the implied warranties by Doe defendants and each of them as herein above alleged, Plaintiffs suffered damages stemming from,

among other items, defectively built roofs, leaking windows, dirt coming through windows, drywall cracking, stucco cracking, stucco staining, water and insect intrusion through foundation slabs, and other poor workmanship. Numerous additional defective conditions exist as more particularly described in Plaintiffs' expert reports. Plaintiffs are presently unaware of the precise amount of damages, but will establish the same at trial according to proof, and in accordance with NRS 40.655.

THIRD CAUSE OF ACTION

(Negligence and Negligence per se

As to All Defendants, and Does 1 through 400)

25. Plaintiffs reallege and incorporate by reference paragraphs 1 through 24 of the Complaint as though fully set forth herein.

26. Plaintiffs allege that Defendants, and each of them, knew or should have known that if the subject structure and subject premises were not properly or adequately designed, engineered, marketed, supervised and/or constructed, that the owners and users would be substantially damaged thereby, and that the subject structures would be defective and not of merchantable quality.

27. Plaintiffs allege that the Defendants, and each of them, named herein were under a duty to exercise ordinary care to avoid reasonably foreseeable injury to users and purchasers of the subject premises and structures, and knew or should have foreseen with reasonable certainty that purchasers and/or users would suffer the monetary damages set forth herein, if said Defendants, and each of them, failed to perform their duty to cause the subject premises and subject structures to be designed, engineered and completed in a proper and workmanlike manner and fashion.

28. Said Defendants, and each of them, breached their duty owed to Plaintiffs, failed and neglected to perform the work, labor and services properly or adequately in that each said Defendants so negligently, carelessly, recklessly and in an unworkmanlike manner designed, constructed and

inspected the subject property and performed the aforesaid work, labor and/or services, such that the subject premises and subject structures as described herein were designed, engineered and/or constructed improperly, negligently, carelessly and/or in an unworkmanlike manner, thereby breaching the duty owed to Plaintiffs. Further, Defendant sellers knew or should have known that the premises were constructed in an unworkmanlike manner.

29. Defendants' negligence alleged above includes the failure to meet the applicable building codes and ordinances which were in effect. Plaintiffs' members and their predecessors in interest were members of the class of persons which the building codes and ordinances were designed to protect. Such violations are negligence per se on the part of Defendants, and each of them.

30. As a direct and proximate result of the foregoing negligence and negligence per se, carelessness and unworkmanlike conduct, actions and/or omissions by said Defendants, and each of them, Plaintiffs have suffered damages in an amount in excess of $10,000.00. Plaintiffs are presently unaware of the precise amount of damages needed in order to correct the defective conditions of the subject property and subject structures, but will establish the same at trial according to proof.

31. Plaintiffs are also entitled to the damages set forth at NRS 40.655.

FOURTH CAUSE OF ACTION

(Breach of Implied Warranty of Habitability as to All Defendants and Does 1 through 400)

32. Plaintiffs reallege and incorporate by reference paragraphs 1 through 31 of the Complaint, as though fully set forth herein.

33. All Defendants each impliedly warranted that said homes would be of good and merchantable quality, would be habitable, and would be completed in a workmanlike manner. Further, said Defendants impliedly warranted the quality of construction of the homes and common areas as provided in NRS 116.4114.

34. The Plaintiffs purchased their homes in reliance on the implied warranties and promises made by Defendants, and each of them. Plaintiffs have duly performed all of the covenants and conditions of said contracts on their part to be performed.

35. Certain Plaintiffs and/or Homeowners at the subject property have notified Defendants of said breach of implied warranties and said Defendants have refused and continue to refuse to remedy these defects.

36. As a direct and proximate result of the breach of the implied warranties by Defendants and each of them as herein above alleged, Plaintiffs suffered damages stemming from, among other items, defectively built roofs, leaking windows, dirt coming through windows, drywall cracking, stucco cracking, stucco staining, water and insect intrusion through foundation slabs, and other poor workmanship. Plaintiffs are presently unaware of the precise amount of damages, but will establish the same at trial according to proof.

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WHEREFORE, Plaintiffs pray for judgment against Defendants, and each of them, as follows:

1. For general and special damages in excess of $10,000.00 including but not limited to, costs of repair, loss of market value, loss of use, loss of financing, loss of investment and out-of-pocket expenses to be determined at time of trial;
2. For damages in an amount according to proof;
3. For reasonable attorneys fees and costs according to proof.
4. For prejudgment and post-judgment interest on all sums awarded, according to proof at the maximum legal rate;
5. For all damages pursuant to NRS 40.600 through 40.695; in particular 40.650 and 40.655;
6. For costs of suit incurred;
7. For such other and further relief as the Court may deem just and proper.

DATED this 1st day of November, 2010

SHINNICK, RYAN & RANSAVAGE P.C.

By___/s/ *Eric Ransavage, Esq.*_____
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Bar. No. 8876
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Bar. No. 8737
2881 Business Park Court, Suite 210
Las Vegas, NV 89128
Attorneys for Plaintiffs

{00074625.DOC}

EXHIBIT 118
(Part 1)

Defendant KB Home Nevada Inc.'s Answer to Plaintiffs' First Amended Complaint and Third-Party Complaint filed on November 23, 2010, in the *Sanchez* action (ISIC 4322-4357)

Part 1 (ISIC 4332-4351)

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CLERK OF THE COURT

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DISTRICT COURT

CLARK COUNTY, NEVADA

JUAN CARLOS SANCHEZ, individually; NASER ABOU-KHALIL and JIHAD BACHA, individually; MARIA ABUNDIZ, individually; GRACE ADDY, individually; SHARI AVINGER, individually; JIHAD BACHA, individually; GERALD M. and MARIAN T. BAYONA, individually; BRIAN and CYNDI CASTRO, individually; SABDREL CORONA, individually; SELMA R. and ROBERT DAYEN; individually; ALBERTO DEL RIO, individually; GARY DOLAN and PHAI THI TRAN, individually; CHRIS DOODY and GWEN ABRAMS, individually; JANENE FRENCH, individually; ALEXANDER and VICTORIA GELFER, individually; GERALD R. GOOCH; individually; ADAM GORODETZER, individually; JAMES M. HEDRICK, individually; CASSANDRA HOMME, individually; SUSAN K, JONES, individually; ALIKA and BRITTANY KAPAU, individually; ULYSSES and ERLINDA LAGASCA, individually; SUSAN A. LERNER, individually; DAVID and MICHELLE LITTLE, individually; LANI E. MARTIN, individually; SARA F. MATTESON, individually; BENJAMIN and BARBARA MCCLELLAN, individually; CHAUNCEY K. MEDERIOS and BILL and SUZETTE KANE, individually; JOSEPH and MARGI MILLER, individually; ALMA and EDGARDO	CASE NO. A-10-616730 DEPT. NO. XIX [ELECTRONIC FILING CASE] **DEFENDANT KB HOME NEVADA INC.'S ANSWER TO PLAINTIFFS' FIRST AMENDED COMPLAINT AND THIRD-PARTY COMPLAINT**

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ISIC 4332

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GINHAWA REYNOSO, individually; DANA ROGERS, individually, LORENA ROSALES, individually; CRES SALONGA, individually; RICARDO and ZENAIDA SCHROTH, individually; ALFONSO T. and YDANIA SOLIS, individually; SAM and SHIZUKA SUN, individually; BOBBY and MARITES TAEZA, individually; MARCIANO and YVONNE TAMAYO; individually; MARIA and EDWIN TOKIFUJI, individually; ANDREW J. THURLOW, individually; GRACIELA C, WHITE, individually; LISA YU; individually; CARLOS A. ZAVALA and TEODELINDA AMADOR-ZAVALA, individually; ROMEL C. OLFINDO, individually; LUCILLE GAVINS; individually; SINISE VUKSIC; individually, MANOJ and NIKITA ASWANI, individually; ARMAND and RUBY CACACHO; individually; ATA and SIMA KASHANI, individually; LADREA LA BRANCHE, individually; SONYA LOVE, individually; ANGELO SARGENTI, JR., individually; MARIA C. YOUNG, individually; MONICA WONG and CHARK TONG WONG, individually; GREGORY H. and KIMBERLY A. ROBERTSON, individually, SHIRLEY B. and DARLINO E. EDEJER, individually; ROBERT P. and LOIS E. BAZAR, individually; VINCENT HAMON, individually; EARLENE BATEMAN, individually; HERALD B. and SUSAN C. MABANTA, individually; TERESITA ANGELES, individually; CLARITA COLLINS, individually; STEVE NGUYEN, individually; TINA HUANG, individually; RODOLFO GIL, individually; SONIA H. FIGUEROA, individually; MASSIMO, ZARETTI, individually; MICHAEL D. ZAHL, individually; GREGORY M. and SILVIA P. AMICO, individually; GARY J. CAVARETTA, individually; SALVADOR DE LOS SANTOS, individually; WILLIAM and RONDA DRAKE, individually; PAOLA GONZALEZ, individually; JACK C. and MELISSA D. GRAHAM, individually; SAMUEL and HOLLY HENNESSY; individually; GORDON Y. S. LEONG and YVONNE L. TATSUNO,

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individually; REBECCA MANKINS, individually; ALEXS Y. MASSE, individually; LINDY D. MILLS, individually; TORIBIO T. and AMELITA E. RABAGO, individually; JAY and GAYLE WOLFORD; individually; SANIEL and EUNSIL YUNG, individually, VINCENT CURTIS and HIROMI THOMAS, individually FAWZI and LENDA MASSA, individually; JUSTIN LEGERE, individually; VICENTE N. and BENIGNA P. BIANES, individually; ENRIQUE L. and EPIFANIA P. MERCADO, individually; WILLIAM MONTEZ, individually; CYNTHIA L. and ALEXANDER G. CANO; CAROLYN MORGAN HERRICK and CARL ALBERT HERRICK, individually; KELLIE GURULE, individually; THOMAS GEARING, individually; and ROES 200 - 600, inclusive,

Plaintiffs,

v.

KB HOME NEVADA INC., a Nevada Corporation; and DOES 1 through 500, inclusive,

Defendants.

KB HOME NEVADA INC., a Nevada Corporation;

Third-Party Plaintiff,

v.

AMERICAN BUILDING PRODUCTS, INC., a Nevada corporation; ATRIUM DOOR & WINDOW COMPANY OF ARIZONA, a Texas corporation; BRANDON IRON, INC., a Nevada corporation; C CONSTRUCTION, INC., a Delaware Corporation; CAL/PAC PAINTING OF NEVADA, INC., a Nevada corporation; CAMPBELL CONCRETE, INC, a California Corporation; CAMPBELL CONCRETE OF NEVADA, INC., a Nevada corporation; CARPETS-N-MORE, LLC, A Nevada limited liability

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company; CENTURY CAST PRODUCTS, INC. a California corporation; CIRCLE S DEVELOPMENT CORPORATION, a Nevada corporation DBA DECK SYSTEMS OF NEVADA, INC.; C & H CONCRETE, LLC DBA CORONADO CONCRETE, a Nevada limited liability company; CREATIVE SURFACE SOLUTIONS, INC., a Nevada corporation; DAYTON DRYWALL, INC., a Nevada Corporation; DESERT SHORE TILE, a Nevada corporation; DESERT SPECIALTIES BUILDING & DESIGN PRODUCTS, INC., a Nevada corporation; DISTINCTIVE MARBLE, INC., an Arizona corporation; EFFICIENT ENTERPRISES, LLC, a Nevada limited liability company; EFFICIENT SPACE PLANNING COMPANY-NEVADA LLC, a Nevada limited liability company; FERNANDEZ CONSTRUCTION/DESIGN CORP., a Nevada corporation; FRADELLA IRON WORKS, INC., a Nevada corporation; FRANK IOVINO & SONS MASONRY, INC., a Nevada corporation; HARRISON DOOR COMPANY, a Nevada corporation; HIRSCHI MASONRY, LLC, a Nevada limited liability company; INTERSTATE PLUMBING & AIR CONDITIONING, LLC, a Nevada limited liability company; K & K DOOR & TRIM, LLC, a Nevada limited liability company; KNIPP BROTHERS INDUSTRIES, LLC, a Nevada limited liability company; KB FRAMERS, LLC, a Nevada limited liability company; KBI STUCCO, INC., a Delaware corporation; LANDACO LANDSCAPING & GRADING, a Nevada corporation; LANDSCAPE SERVICES, INC., a Nevada corporation; LARRY METHVIN INSTALLATIONS, INC. a California corporation; LUKESTAR CORPORATION, a Nevada corporation DBA CHAMPION MASONRY; MS CONCRETE CO., INC., a Nevada corporation; MCCONNELL CABINETS, INC., a California corporation; NATIONS FLOORING, INC., a Delaware corporation DBA CARPET BARN;

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PACIFIC STUCCO, INC., a Nevada corporation; PENINSULA FLOORS, INC., a California Corporation; ROCKY TOP CONSTRUCTION, INC., a Nevada corporation; SACRAMENTO INSULATION CONTRACTORS DBA GALE BUILDING PRODUCTS, INC., a California corporation; SELECTBUILD NEVADA, INC., a Delaware corporation; SHARP PLUMBING, INC., a Nevada corporation; SIERRA AIR CONDITIONING, INC., a Nevada corporation; SILVER STATE FIREPLACES, INC., a Nevada corporation; SOUTHERN NEVADA GRANITE, INC., a Nevada corporation; STATE INSULATION, LLC, a Nevada limited liability company; STONE NET, INC., a Texas corporation; SUNRISE MECHANICAL, INC., a Nevada corporation; SUPERIOR TILE & MARBLE, INC., a Nevada corporation; TAYLOR CERAMICS, INC., a Nevada corporation; T.P.S. PAINTING & DRYWALL, INC., a Nevada corporation; TITAN STAIRS & TRIM, INC., a Nevada corporation; WESTERN AMERICA GRANITE, a Nevada corporation; WILLIS ROOF CONSULTING, INC., a Nevada corporation; and POES 1 through 500, inclusive,

Third-Party Defendants.

DEFENDANT KB HOME NEVADA INC.'S ANSWER TO PLAINTIFFS' FIRST AMENDED COMPLAINT

COMES NOW Defendant, KB HOME NEVADA INC., on its own behalf (hereinafter "KB"), by and through its counsel, the law firm of WOOD, SMITH, HENNING & BERMAN, LLP, and hereby answers Plaintiffs' First Amended Complaint.

GENERAL ALLEGATIONS

1. Answering Paragraph 1 of the Complaint, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

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2. Answering Paragraph 2 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

2a. Answering Paragraph 2a of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

3. Answering Paragraph 3 of the Complaint, the averments contained therein do not assert claims against KB; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

4. Paragraph 4 of the Complaint was not used; therefore no response is required.

5. Answering Paragraph 5 of the Complaint, KB admits that at all relevant times herein it is and was a business entity authorized and qualified to perform and do business in Clark County, Nevada.

6. Answering Paragraph 6 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

7. Answering Paragraph 7 of the Complaint, the averments contained therein do not assert claims against KB; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or

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information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

8. Answering Paragraph 8 of the Complaint, the averments contained therein do not assert claims against KB; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

9. Answering Paragraph 9 of the Complaint, together with the unidentified Sub-Paragraph, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

10. Answering Paragraph 10 of the Complaint, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

FIRST CAUSE OF ACTION
(Breach of Contract and Breach of Express Warranties as Against All Defendants and Does 1 through 400)

11. Answering Paragraph 11 of the Complaint, KB refers to and incorporates herein by reference its answers to Paragraphs 1 through 10 of the Complaint, inclusive, as though fully set forth herein.

12. Answering Paragraph 12 of the Complaint, KB states that any such documents speak for themselves. KB further asserts that the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

13. Answering Paragraph 13 of the Complaint, KB states that any such documents speak for themselves. KB further asserts that the averments contained therein constitute conclusions of law; therefore no response is required.

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To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

14. Answering Paragraph 14 of the Complaint, KB states that any such documents speak for themselves. KB further asserts that the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

15. Answering Paragraph 15 of the Complaint, KB states that any such documents speak for themselves. KB further asserts that the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

16. Answering Paragraph 16 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

17. Answering Paragraph 17 of the Complaint, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

18. Answering Paragraph 18 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

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SECOND CAUSE OF ACTION
(Breach of Implied Warranties-Third Party Beneficiary as against Does 1 through 400)

19. Answering Paragraph 19 of the Complaint, KB refers to and incorporates herein by reference its answers to Paragraphs 1 through 18 of the Complaint, inclusive, as though fully set forth herein.

20. Answering Paragraph 20 of the Complaint, the averments contained therein do not assert claims against KB and they constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

21. Answering Paragraph 21 of the Complaint, the averments contained therein do not assert claims against KB and they constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

22. Answering Paragraph 22 of the Complaint, the averments contained therein do not assert claims against KB and they constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

23. Answering Paragraph 23 of the Complaint, the averments contained therein do not assert claims against KB and they constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of

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the allegations therein, and therefore, denies each and every allegation contained therein.

24. Answering Paragraph 24 of the Complaint, the averments contained therein do not assert claims against KB and they constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

THIRD CAUSE OF ACTION
(Negligence and Negligence per se as to All Defendants, and Does 1 through 400)

25. In answering Paragraph 25 of the Complaint, KB refers to and incorporates herein by reference its answers to Paragraphs 1 through 24 of the Complaint, inclusive, as though fully set forth herein.

26. Answering Paragraph 26 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

27. Answering Paragraph 27 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

28. Answering Paragraph 28 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

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29. Answering Paragraph 29 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

30. Answering Paragraph 30 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

31. Answering Paragraph 31 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

FOURTH CAUSE OF ACTION
(Breach of Implied Warranties of Habitability
Disclose as to All Defendants and Does 1 through 400)

32. In answering Paragraph 32 of the Complaint, KB refers to and incorporates herein by reference its answers to Paragraphs 1 through 31 of the Complaint, inclusive, as though fully set forth herein.

33. Answering Paragraph 33 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

34. Answering Paragraph 34 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or

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information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

35. Answering Paragraph 35 of the Complaint, the averments contained therein constitute conclusions of law; therefore no response is required. To the extent a response is deemed necessary, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

36. Answering Paragraph 36 of the Complaint, KB is without sufficient knowledge or information to form a belief as to the truth of the allegations therein, and therefore, denies each and every allegation contained therein.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Plaintiffs' Complaint and each and every cause of action stated therein fails to state a claim against KB upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Plaintiffs' claims are not well grounded in fact and are not warranted by existing law or good faith argument for the extension or modification of existing law but pursued only for the purpose of harassment, unnecessary delay and the incurrence of needless cost of litigation to KB.

THIRD AFFIRMATIVE DEFENSE

Plaintiffs have suffered no legal recognizable harm or damage as a result of the alleged acts of KB.

FOURTH AFFIRMATIVE DEFENSE

At all relevant times, KB acted in conformity with commercial standards and a reasonable manner in discharging its duties.

FIFTH AFFIRMATIVE DEFENSE

At all relevant times, KB acted in good faith and in a lawful manner towards the Plaintiffs, and acted without intent to inflict harm or damage.

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SIXTH AFFIRMATIVE DEFENSE

At all relevant times, KB acted with due care and diligence with respect to the subject property and/or transaction, which is the subject matter of Plaintiffs' Complaint, and therefore, KB breached no duty, if any, owed to the Plaintiffs.

SEVENTH AFFIRMATIVE DEFENSE

KB is not legally responsible for the acts and/or omissions of those parties named herein as fictitious DOES or named as any other entity, and liability, if any, of KB must be reduced by the percentage of fault of others; said liability is expressly denied but is set forth herein only for the purpose of this affirmative defense.

EIGHTH AFFIRMATIVE DEFENSE

The actions of KB in no way caused or contributed to the Plaintiffs' injuries and/or damages.

NINTH AFFIRMATIVE DEFENSE

Any damages which the Plaintiffs may have sustained by reason of the allegations contained in the Complaint were proximately caused by and/or contributed to the acts and/or omissions of persons and/or entities other than KB, and therefore, Plaintiffs are not entitled to any relief from KB and/or liability, if any, must be limited by the percentage of fault actually attributable to it.

TENTH AFFIRMATIVE DEFENSE

Any damages suffered by the Plaintiffs were caused by an independent, superseding cause or causes over which KB had no control or authority.

ELEVENTH AFFIRMATIVE DEFENSE

At all times relevant to the Complaint, KB acted pursuant to all of its obligations, if any, and was justified or privileged in its actions.

TWELFTH AFFIRMATIVE DEFENSE

Plaintiffs' acts, omissions, negligence, and/or intentional misconduct made it impossible for KB to perform its obligation, if any.

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THIRTEENTH AFFIRMATIVE DEFENSE

Plaintiffs have failed to do equity toward KB, and therefore, they are not entitled to any relief from this Defendant.

FOURTEENTH AFFIRMATIVE DEFENSE

If Plaintiffs suffered or sustained any loss, injury, damage or detriment, the same was directly and proximately caused and contributed to by the conduct, acts, omissions, activities, carelessness, recklessness, negligence, and/or intentional misconduct of Plaintiffs, thereby completely or partially barring Plaintiffs' recovery herein.

FIFTEENTH AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that Plaintiffs are barred from recovering against KB on a theory of comparative indemnity in that Plaintiffs' negligence was active and primary while the negligence, if any, of KB was passive and secondary.

SIXTEENTH AFFIRMATIVE DEFENSE

This answering Defendant did not supply false information to the Plaintiffs regarding the subject property and/or subject transaction.

SEVENTEENTH AFFIRMATIVE DEFENSE

This answering Defendant alleges that it has performed any and all obligations required by it pursuant to any agreements with Plaintiffs.

EIGHTEENTH AFFIRMATIVE DEFENSE

The Complaint, and each and every claim for relief contained therein, is barred by the applicable Statutes of Repose.

NINETEENTH AFFIRMATIVE DEFENSE

The Complaint, and each and every claim for relief contained therein, is barred by the applicable Statutes of Limitations.

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TWENTIETH AFFIRMATIVE DEFENSE

Plaintiffs' unreasonable delay in advising KB of any claims they had in this action, all of which has prejudiced KB in its defense of the action, bars and/or diminishes Plaintiffs' recovery herein under the doctrines of estoppel, waiver, and/or laches.

TWENTY-FIRST AFFIRMATIVE DEFENSE

The Relief sought by Plaintiffs is barred by the doctrine of unclean hands.

TWENTY-SECOND AFFIRMATIVE DEFENSE

Plaintiffs have failed to mitigate their damages, as Plaintiffs failed to exercise reasonable care and diligence to avoid loss and minimize their damages, if any, thus barring or limiting the recovery sought by Plaintiffs.

TWENTY-THIRD AFFIRMATIVE DEFENSE

Plaintiffs did not reasonably rely on affirmations, if any, made by these answering Defendants.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that Plaintiffs have failed to join all necessary and indispensable third parties to this action, thus barring Plaintiffs from any recovery against KB.

TWENTY-FIFTH AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that Plaintiffs or other unknown third persons or entities modified or altered the Subject Properties, without the knowledge, consent, approval, or ratification of KB, and such modification or alteration directly and proximately caused the damages suffered by Plaintiffs, if any, thus barring Plaintiffs from any recovery against KB.

TWENTY-SIXTH AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that at all times relevant herein, the damages suffered by Plaintiffs, if any, were not the result of any misconduct, malfeasance, breach of warranty or other activity on the part of KB.

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TWENTY-SEVENTH AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that Plaintiffs have failed to perform all duties and obligations on their part of any agreement, oral or written, thus barring the recovery sought by Plaintiffs.

TWENTY-EIGHTH AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that Plaintiffs have failed to satisfy one or more express or implied condition precedent to any obligations allegedly owed to Plaintiffs by KB.

TWENTY-NINTH AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that prior to the commencement of this action, KB duly performed, satisfied and discharged all duties and obligations it owed to Plaintiffs arising out of any and all agreements, representations, or contracts made by or on behalf of KB.

THIRTIETH AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that Plaintiffs are not, nor have they ever been, a third party beneficiary of the subcontract agreements between KB and those entities who performed the work to design, engineer and/or construct the subject property.

THIRTY-FIRST AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that if it is found that KB made a warranty, express or implied, then such warranty, if any, was disclaimed, excluded and limited in all of its parts and its entirety, explicitly and conspicuously, orally or in writing, in words that plainly conveyed the meaning to Plaintiffs that such disclaimer and limitation of such warranty, if any, was also excluded and modified in the course of dealings and usage of the trade, all as to preclude Plaintiffs from reliance upon a recovery from this warranty.

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THIRTY-SECOND AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that Plaintiffs failed to notify KB of the alleged breach of warranty within a reasonable time of discovering said breach of warranty or when Plaintiffs should have discovered said breach of warranty.

THIRTY-THIRD AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that Plaintiffs are not in the category of persons that the applicable statutes were intended to protect.

THIRTY-FOURTH AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that no agency, servant or employee relationship existed between KB and any of the remaining defendants.

THIRTY-FIFTH AFFIRMATIVE DEFENSE

KB is informed and believes and thereon alleges that Plaintiffs have failed to comply with NRS §40.600 et seq. and are thus barred from, and without standing to, bring this action.

THIRTY-SIXTH AFFIRMATIVE DEFENSE

This answering Defendant has been required to retain the services of Wood Smith Henning & Berman, LLP, to defend this action, and reasonable attorneys' fees and costs of suit herein incurred should be awarded therefore.

THIRTY-SEVENTH AFFIRMATIVE DEFENSE

Pursuant to Rule 11 of NRCP as amended, all possible affirmative defenses may not have been alleged herein insofar as sufficient facts are not available after reasonable inquiry from the filing of Plaintiffs' Complaint. In the event further investigation or discovery in this case reveals the applicability of any additional affirmative defenses, including but not limited to those affirmative defenses enumerated to NRCP 8(c), Defendant reserves the right to specifically assert any such defenses. The defenses contained in NRCP 8(c) are incorporated herein by reference for the specific purpose of not waiving any such defenses.

WHEREFORE, KB HOME prays for judgment against Plaintiffs as follows:

1. That Plaintiffs take nothing by reason of their Complaint on file herein and that the same be dismissed with prejudice;

2. For reasonable attorneys' fees and costs incurred to defend this suit;

3. For reasonable expert fees and costs; and

4. For such other and further relief as the Court may deem just and proper.

KB HOME NEVADA INC.'S THIRD-PARTY COMPLAINT

COMES NOW Third-Party Plaintiff KB Home Nevada Inc. ("Third-Party Plaintiff"), by and through its counsel, the law firm of WOOD, SMITH, HENNING & BERMAN LLP, and hereby brings this Third-Party Complaint against Third-Party Defendants AMERICAN BUILDING PRODUCTS, INC., a Nevada corporation; ATRIUM DOOR & WINDOW COMPANY OF ARIZONA, a Texas corporation; BRANDON IRON, INC., a Nevada corporation; C CONSTRUCTION, INC., a Delaware Corporation; CAL/PAC PAINTING OF NEVADA, INC., a Nevada corporation; CAMPBELL CONCRETE, INC, a California Corporation; CAMPBELL CONCRETE OF NEVADA, INC., a Nevada corporation; CARPETS-N-MORE, LLC, A Nevada limited liability company; CENTURY CAST PRODUCTS, INC. a California corporation; CIRCLE S DEVELOPMENT CORPORATION, a Nevada corporation DBA DECK SYSTEMS OF NEVADA, INC.; C & H CONCRETE, LLC DBA CORONADO CONCRETE, a Nevada limited liability company; CREATIVE SURFACE SOLUTIONS, INC., a Nevada corporation; DAYTON DRYWALL, INC., a Nevada Corporation; DESERT SHORE TILE, a Nevada corporation; DESERT SPECIALTIES BUILDING & DESIGN PRODUCTS, INC., a Nevada corporation; DISTINCTIVE MARBLE, INC., an Arizona corporation; EFFICIENT ENTERPRISES, LLC, a Nevada limited liability company; EFFICIENT SPACE PLANNING COMPANY-NEVADA LLC, a Nevada limited liability company; FERNANDEZ CONSTRUCTION/DESIGN CORP., a Nevada corporation;

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EXHIBIT 118
(Part 2)

Defendant KB Home Nevada Inc.'s Answer to Plaintiffs' First Amended Complaint and Third-Party Complaint filed on November 23, 2010, in the *Sanchez* action (ISIC 4322-4357)

Part 2 (ISIC 4352-4357)

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FRADELLA IRON WORKS, INC., a Nevada corporation; FRANK IOVINO & SONS MASONRY, INC., a Nevada corporation; HARRISON DOOR COMPANY, a Nevada corporation; HIRSCHI MASONRY, LLC, a Nevada limited liability company; INTERSTATE PLUMBING & AIR CONDITIONING, LLC, a Nevada limited liability company; K & K DOOR & TRIM, LLC, a Nevada limited liability company; KNIPP BROTHERS INDUSTRIES, LLC, a Nevada limited liability company; KB FRAMERS, LLC, a Nevada limited liability company; KBI STUCCO, INC., a Delaware corporation; LANDACO LANDSCAPING & GRADING, a Nevada corporation; LANDSCAPE SERVICES, INC., a Nevada corporation; LARRY METHVIN INSTALLATIONS, INC. a California corporation; LUKESTAR CORPORATION, a Nevada corporation DBA CHAMPION MASONRY; MS CONCRETE CO., INC., a Nevada corporation; MCCONNELL CABINETS, INC., a California corporation; NATIONS FLOORING, INC., a Delaware corporation DBA CARPET BARN; PACIFIC STUCCO, INC., a Nevada corporation; PENINSULA FLOORS, INC., a California Corporation; ROCKY TOP CONSTRUCTION, INC., a Nevada corporation; SACRAMENTO INSULATION CONTRACTORS DBA GALE BUILDING PRODUCTS, INC., a California corporation; SELECTBUILD NEVADA, INC., a Delaware corporation; SHARP PLUMBING, INC., a Nevada corporation; SIERRA AIR CONDITIONING, INC., a Nevada corporation; SILVER STATE FIREPLACES, INC., a Nevada corporation; SOUTHERN NEVADA GRANITE, INC., a Nevada corporation; STATE INSULATION, LLC, a Nevada limited liability company; STONE NET, INC., a Texas corporation; SUNRISE MECHANICAL, INC., a Nevada corporation; SUPERIOR TILE & MARBLE, INC., a Nevada corporation; TAYLOR CERAMICS, INC., a Nevada corporation; T.P.S. PAINTING & DRYWALL, INC., a Nevada corporation; TITAN STAIRS & TRIM, INC., a Nevada corporation; WESTERN AMERICA GRANITE, a Nevada corporation; WILLIS ROOF CONSULTING, INC., a Nevada corporation; and POES 1 through

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500, inclusive, (collectively, the "Third-Party Defendants"), and hereby allege as follows:

GENERAL ALLEGATIONS

1. Third-Party Plaintiff KB Home Nevada Inc. is, and at all times relevant hereto, was, a Nevada corporation, duly licensed and authorized to conduct business in the County of Clark, State of Nevada.

2. Upon information and belief, Third-Party Defendants, and each of them, are, and at all times relevant hereto were, business entities or individuals duly licensed and authorized to conduct business in the County of Clark, State of Nevada.

3. The true names and capacities, whether individual, corporate, associate, or otherwise of the Third-Party Defendants herein designated as POES 1 through 500, inclusive, are unknown to Third-Party Plaintiff, who therefore sue said Third-Party Defendants by such fictitious names. Third-Party Plaintiff is informed and believes, and thereon alleges, that each of the Third-Party Defendants designated herein as POES 1 through 500, inclusive, is responsible in some manner for the events and happenings which are the subject of this action. Third-Party Plaintiff will seek leave to amend this Third-Party Complaint to show the true names and capacities of said Third-Party Defendants POES 1 through 500, inclusive, when the same have been ascertained by Third-Party Plaintiff, together with appropriate charges and allegations and to join such Third-Party Defendants in this action.

4. Third-Party Plaintiff is informed and believes, and thereon alleges, that each of the Third-Party Defendants, including POES 1 through 500, and each of them, disputes Third-Party Plaintiff's contentions herein and are in some manner legally responsible for the acts and omissions alleged herein, and actually and proximately caused and contributed to the various injuries and damages referred to herein.

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5. Third-Party Plaintiff is informed and believes, and thereon alleges, that said Third-Party Defendants, including POES 1 through 500, and each of them, participated in the development, design, construction, supervision, inspection, maintenance and/or ownership of the Subject Properties located in Las Vegas, Nevada, which are the subject of the main action herein as identified in Plaintiffs' First Amended Construction Defect Complaint, filed in District Court, Clark County, Nevada, Case No. A-10-616730-D, and any amendment by Plaintiffs thereto.

6. Third-Party Plaintiff is informed and believes, and thereon alleges, that at all times herein mentioned, each of the Third-Party Defendants, including POES 1 through 500, and each of them, was the agent, partner, co-developer, joint venturer, lender, predecessor in interest, successor in interest, and/or employee of each of the remaining Third-Party Defendants, including POES 1 through 500, and each of them, and were at all times herein mentioned acting within the course and scope of such agency and/or employment.

7. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Plaintiff entered into written and/or oral agreements (hereinafter, the "Agreements") with Third-Party Defendants, including POES 1 through 500, and each of them, wherein Third-Party Defendants, including POES 1 through 500, agreed to perform design services and/or construction services, including the provision of labor and materials, and including all terms and conditions, at the Subject Properties, which are the subject of the main action herein.

8. Third-Party Plaintiff is informed and believes, and based thereon alleges, that pursuant to their agreements, Third-Party Defendants, including POES 1 through 500, and each of them, were to provide Third-Party Plaintiff with the design, development, labor, materials, and/or construction in connection with the Subject Properties, and to furnish their best skill and judgment and to cooperate with the Third-Party Plaintiff and their authorized agents in furthering the

interests of the Third-Party Plaintiff to develop and construct the Subject Properties.

9. Plaintiffs filed a First Amended Construction Defect Complaint (hereinafter "Complaint") in District Court, Clark County, Nevada, Case No. A-10-616730-D against Third-Party Plaintiff wherein Plaintiffs allege that Defendant/Third-Party Plaintiff is liable to Plaintiffs for the development and construction of the Subject Properties, so as to cause Plaintiffs damage as is more particularly alleged in the Complaint, and any subsequent amendment thereto.

FIRST CAUSE OF ACTION

(Negligence against all Third-Party Defendants and POES 1-500)

10. Third-Party Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 9 inclusive, as though fully set forth herein.

11. Third-Party Plaintiff is informed and believes, and based thereon alleges, that Third-Party Defendants, including POES 1 through 500, and each of them, negligently, carelessly and wrongfully failed to use reasonable care in the design, development, manufacture, supervision, maintenance, repair, supply of materials, installation, inspection and/or construction of the Subject Properties that are at issue in Plaintiffs' Complaint and which are more particularly described therein.

12. Third-Party Plaintiff is further informed and believes, and based thereon alleges, that Third-Party Defendants, including POES 1 through 500, and each of them, negligently and carelessly failed to exercise reasonable care and diligence to avoid loss and to minimize and mitigate damages which could have been prevented by reasonable efforts on the part of said Third-Party Defendants, including POES 1 through 500, and each of them, or by expenditures which should have been made in the exercise of due care.

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ISIC 4355

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13. Third-Party Plaintiff is informed and believes, and based thereon alleges, that the failures and damages alleged by Plaintiffs occurred because of the negligence of Third-Party Defendants, including POES 1 through 500, and each of them.

14. As a direct and proximate result of the negligence of Third-Party Defendants, including POES 1 through 500, and each of them, it is herein alleged that Third-Party Plaintiff has incurred and continues to incur costs and expenses including but not limited to litigation costs, contractors' fees, attorneys' fees and consultants' fees to inspect, repair and mitigate damages arising out of said negligent design, construction, repair and maintenance and to defend against Plaintiffs' action herein.

15. Third-Party Plaintiff herein has been required to retain the services of Wood, Smith, Henning & Berman, LLP to prosecute this action, and is entitled to an award of attorneys' fees and costs.

SECOND CAUSE OF ACTION

(Breach of Contract against all Third-Party Defendants and POES 1-500)

16. Third-Party Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 15 inclusive, as though fully set forth herein.

17. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Plaintiff entered into written, oral and implied agreements with Third-Party Defendants, including POES 1 through 500, and each of them, for the design, and/or construction of the Subject Properties which are the subject matter of this litigation. The agreements contemplated, among other things, that Third-Party Defendants, including POES 1 through 500, and each of them, as designated above, would deliver to Third-Party Plaintiff all labor and services performed in a good and workmanlike manner, and that the Subject Properties would be of merchantable quality and that all labor and services would be properly

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performed and would be properly constructed. Plaintiffs' Complaint alleges that the construction was done in a defective and/or negligent manner, thereby resulting in damages to Plaintiffs.

18. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants, including POES 1 through 500, and each of them, as designated above, entered into written, oral and implied agreements with Third-Party Plaintiff and were to comply, with each and every term and condition thereof.

19. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants, including POES 1 through 500, and each of them, entered into contracts with others in the performance of services provided in the construction at the Subject Properties, and Third-Party Plaintiff herein is further informed and believes, and thereon alleges that the damages claimed by Plaintiffs were caused by Third-Party Defendants, including POES 1 through 500, and each of them, by their agents and/or employees.

20. Third-Party Plaintiff has performed all conditions, covenants and promises required by it in accordance with the terms and conditions of the aforementioned agreements.

21. Third-Party Defendants, including POES 1 through 500, and each of them, as designated above, have breached the aforementioned agreements by failing and neglecting to properly perform the labor and services as contemplated by the parties to the agreements, and by failing to comply with each and every term of the contract, and that Third-Party Defendants, including POES 1 through 500, and each of them, among other things, designed, installed or constructed in a defective and/or negligent manner at the Subject Properties thereby causing the damage alleged by Plaintiffs in the Complaint.

22. Third-Party Defendants, including POES 1 through 500, and each of them, as designated above, have breached the aforementioned agreements by failing to perform their work (a) in compliance with the applicable standard of care,

(b) in a good and workmanlike manner and (c) in a manner that was consistent with their legal obligations as set forth in the various agreements. Further, Third-Party Plaintiff is informed and believes and on that basis alleges that Third-Party Defendants, including POES 1 through 500, and each of them, have breached their agreements by (1) failing to defend and indemnify Third-Party Plaintiff as a result of Plaintiffs' Complaint; (2) failing to name Third-Party Plaintiff as an additional insured as required under the agreements and (3) by failing to take appropriate steps to make sure that proper additional insured endorsements and adequate insurance coverage had been obtained.

23. As a direct and proximate result of the breach of the aforementioned agreements by Third-Party Defendants, including POES 1 through 500, and each of them, Third-Party Plaintiff has been damaged in an amount according to proof at the time of trial.

24. Third-Party Plaintiff herein has been required to retain the services of Wood, Smith, Henning & Berman, LLP to prosecute this action, and is entitled to an award of attorneys' fees and costs.

THIRD CAUSE OF ACTION

(Express Indemnity against all Third-Party Defendants and POES 1-500)

25. Third-Party Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 24 inclusive, as though fully set forth herein.

26. Third-Party Plaintiff has denied the allegations of Plaintiffs' Complaint, and without admitting the allegations contained therein, if it is found that Third-Party Plaintiff is liable for any such damages alleged and claims made by Plaintiffs, then Third-Party Plaintiff is informed and believes, and thereon alleges, that such damages and claims, in whole or in part, are the proximate result of the acts, breaches and/or omissions of Third-Party Defendants, including POES 1 through 500, and each of them.

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27. As a result of the Plaintiffs' claims against Third-Party Plaintiff, Third-Party Plaintiff may be held liable to Plaintiffs for all or part of said damage which may be sustained, in which event, Third-Party Plaintiff is entitled to be indemnified by Third-Party Defendants, including POES 1 through 500, and each of them, pursuant to the express agreements entered into between Third-Party Plaintiff and Third-Party Defendants, including POES 1 through 500, and each of them.

28. Pursuant to the terms of the agreements entered into between Third-Party Plaintiff and Third-Party Defendants, including POES 1 through 500, and each of them, Third-Party Defendants, including POES 1 through 500, and each of them, contractually agreed to defend and indemnify Third-Party Plaintiff.

29. Pursuant to the terms of the agreements entered into between Third-Party Plaintiff and Third-Party Defendants, including POES 1 through 500, and each of them, Third-Party Defendants, including POES 1 through 500, and each of them, have duties to defend Third-Party Plaintiff in the actions filed by Plaintiffs.

30. Third-Party Plaintiff herein has been required to retain the services of Wood, Smith, Henning & Berman, LLP to prosecute this action, and is entitled to an award of attorneys' fees and costs.

FOURTH CAUSE OF ACTION

(Implied Indemnity against all Third-Party Defendants and POES 1-500)

31. Third-Party Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 30 inclusive, as though fully set forth herein.

32. Third-Party Plaintiff has denied the allegations of Plaintiffs' Complaint, and without admitting the allegations contained therein, if it is found that Third-Party Plaintiff is liable for any such damage to Plaintiffs, then Third-Party Plaintiff is informed and believes, and thereon alleges, that such damage is primarily and ultimately caused by the acts, breaches and/or omissions of Third-

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ISIC 4359

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Party Defendants, including POES 1 through 500, and each of them, whereas Third-Party Plaintiff's acts, if any, were secondary, passive or derivative in nature.

33. Third-Party Plaintiff is informed and believes, and thereon alleges, that the defects and damages alleged by Plaintiffs in their Complaint involve defects, damage to or destruction of the Subject Properties and Third-Party Plaintiff is further informed and believes, and thereon alleges, that said damages were caused by the Third-Party Defendants, including POES 1 through 500, and each of them, arising out of and in connection with the performance of Third-Party Defendants', including POES 1 through 500, and each of them, obligations as referred to above.

34. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants, including POES 1 through 500, and each of them, entered into written, oral and implied indemnity agreements with Third-Party Plaintiff.

35. By reason of the foregoing, if Plaintiffs recover against Third-Party Plaintiff, then Third-Party Plaintiff is entitled to indemnity from Third-Party Defendants, including POES 1 through 500, and each of them, for injuries and damages sustained by Plaintiffs, if any, for any sums paid by way of settlement, or any judgment rendered against Third-Party Plaintiff in the action herein based upon Plaintiffs' Complaint and any cause of action alleged therein.

36. Third-Party Plaintiff herein has been required to retain the services of Wood, Smith, Henning & Berman, LLP to prosecute this action, and is entitled to an award of attorneys' fees and costs.

FIFTH CAUSE OF ACTION

(Equitable Indemnity against all Third-Party Defendants and POES 1-500)

37. Third-Party Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 36 inclusive, as though fully set forth herein.

38. In equity and good conscience, if the Plaintiffs recover against Third-Party Plaintiff, then Third-Party Plaintiff is entitled to equitable indemnity, among and from Third-Party Defendants, including POES 1 through 500, and each of them, according to their respective fault, for the injuries and damages allegedly sustained by Plaintiffs, if any, by way of sums paid by settlement or in the alternative any judgments rendered against Third-Party Plaintiff in the action herein based upon Plaintiffs' Complaint.

39. Third-Party Plaintiff expressly denies the allegations of the Complaint, or other wrongdoing on their part. Should Third-Party Plaintiff nevertheless be found liable for any alleged wrongdoings with respect to the allegations of the Complaint, the acts and/or omissions of Third-Party Plaintiff were passive and secondary, while those of Third-Party Defendants, including POES 1 through 500, and each of them, were active, primary and superseding. Thus, as a direct, proximate and foreseeable result of the wrongdoing of Third-Party Defendants, including POES 1 through 500, and each of them, Third-Party Plaintiff is entitled to total equitable indemnity from any and all liability adjudged against it by Plaintiffs.

40. Third-Party Plaintiff herein has been required to retain the services of Wood, Smith, Henning & Berman, LLP to prosecute this action, and is entitled to an award of attorneys' fees and costs.

SIXTH CAUSE OF ACTION

(Breach of Express and Implied Warranties to Perform in Workmanlike Manner against all Third-Party Defendants and POES 1-500)

41. Third-Party Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 40 inclusive, as though fully set forth herein.

42. Third-Party Plaintiff is informed and believes, and based thereon alleges, that Third-Party Defendants, including POES 1 through 500, and each of

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them, entered into written and/or oral agreements with Third-Party Plaintiff and were to comply with each and every term and condition thereof.

43. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants, including POES 1 through 500, and each of them, pursuant to the written and/or oral agreements, impliedly and expressly warranted that the Subject Properties would be fit for their intended use and purpose, namely that all labor performed and services provided would be good, workmanlike, and done in a manner consistent with standard industry practice.

44. Additionally common law imposes an implied warranty of workmanlike manner upon Third-Party Defendants, including POES 1 through 500, and each of them, which has been defined as a duty to perform to a reasonably skillful standard as a part of their business.

45. Third-Party Plaintiff relied upon said warranties and believed that the work was performed in a first-class and workmanlike manner and the labor performed and services provided were properly performed by Third-Party Defendants, including POES 1 through 500, and each of them, as designated above, and their agents, or employees, and for their intended use and purpose.

46. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants, including POES 1 through 500, and each of them, breached said warranties in that Plaintiffs have alleged that the construction was done in a defective or negligent manner, and that as a consequence of said conduct, Plaintiffs allege that the Subject Properties are defective as more particularly alleged in Plaintiffs' Complaint.

47. As a proximate result of the breach of the express and implied warranties by Third-Party Defendants, including POES 1 through 500, and each of them, Third-Party Plaintiff alleges that it will suffer damages in a sum equal to any sums paid by way of settlement, or in the alternative, judgment rendered against Third-Party Plaintiff in the action herein based upon Plaintiffs' Complaint.

48. Third-Party Plaintiff herein has been required to retain the services of Wood, Smith, Henning & Berman, LLP to prosecute this action, and is entitled to an award of attorneys' fees and costs.

SEVENTH CAUSE OF ACTION

(Breach of Implied Warranty of Fitness for a Particular Purpose and/or Breach of Implied Warranty of Merchantability against all Third-Party Defendants and POES 1-500)

49. Third-Party Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 48 inclusive, as though fully set forth herein.

50. The State of Nevada recognizes implied warranties, namely (a) that goods are reasonably fit for the particular purpose of the buyer, when he/she makes that purpose known to the seller and it appears that he/she relies on the seller's skill or judgment; and (b) that goods are at least fit for the ordinary purposes for which they are used when goods are bought by description from one who deals in goods of that description.

51. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants, including POES 1 through 500, and each of them, were at all times aware of the particular purpose of Third-Party Plaintiff, including but not limited to: design, development, and construction of the Subject Properties.

52. Third-Party Plaintiff justifiably relied on Third-Party Defendants, including POES 1 through 500, and each of them, and their agents or employees, for their skill and judgment.

53. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants, including POES 1 through 500, and each of them, breached said warranties in that Plaintiffs have alleged that the construction was done in a defective or negligent manner, and that as a consequence of said conduct, Plaintiffs allege that the Subject Properties are defective as more particularly alleged in Plaintiffs' Complaint.

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54. As a proximate result of the breach of the implied warranties by Third-Party Defendants, including POES 1 through 500, and each of them, Third-Party Plaintiff alleges that it will suffer damages in a sum equal to any sums paid by way of settlement, or in the alternative, judgment rendered against Third-Party Plaintiff in the action herein based upon Plaintiffs' Complaint.

55. Third-Party Plaintiff herein has been required to retain the services of Wood, Smith, Henning & Berman, LLP to prosecute this action, and is entitled to an award of attorneys' fees and costs.

EIGHTH CAUSE OF ACTION

(Contribution against all Third-Party Defendants and POES 1-500)

56. Third-Party Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 55 inclusive, as though fully set forth herein.

57. Third-Party Plaintiff is entitled to contribution from Third-Party Defendants, including POES 1 through 500, and each of them, for the injuries and damages allegedly sustained by Plaintiffs, if any, as a result of any judgment or settlement awarded against Third-Party Plaintiff herein.

58. Third-Party Plaintiff herein has been required to retain the services of Wood, Smith, Henning & Berman, LLP to prosecute this action, and is entitled to an award of attorneys' fees and costs.

NINTH CAUSE OF ACTION

(Apportionment against all Third-Party Defendants and POES 1-500)

59. Third-Party Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 58 inclusive, as though fully set forth herein.

60. Based upon the acts and/or omissions of Third-Party Defendants, including POES 1 through 500, and each of them, if judgment is rendered on behalf of Plaintiffs and against Third-Party Plaintiff, Third-Party Plaintiff is entitled

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to an apportionment of liability among Third-Party Defendants, including POES 1 through 500, and each of them.

61. Third-Party Plaintiff herein has been required to retain the services of Wood, Smith, Henning & Berman, LLP to prosecute this action, and is entitled to an award of attorneys' fees and costs.

TENTH CAUSE OF ACTION

(Declaratory Relief against all Third-Party Defendants and POES 1-500)

62. Third-Party Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 61 inclusive, as though fully set forth herein.

63. A dispute has arisen and actual controversy now exists between Third-Party Plaintiff and Third-Party Defendants, including POES 1 through 500, and each of them, as to their rights and liabilities with respect to any ultimate responsibility in the underlying action, and with respect to the rights to receive or duty to give, indemnification in proportion to their comparative fault, if any. Third-Party Plaintiff contends that if it suffers judgment in the underlying action, or if they pay monies by way of a reasonable compromise of said claim, Third-Party Plaintiff is entitled to be indemnified by Third-Party Defendants, including POES 1 through 500, and each of them, and to judgment over and against them, to the extent that Third-Party Plaintiff's responsibility in the underlying action exceeds its percentage of negligence, fault or liability, if any. Third-Party Plaintiff is informed and believes that Third-Party Defendants, including POES 1 through 500, and each of them, contend to the contrary. Therefore, an actual controversy exists relative to the legal duties and rights of the respective parties pursuant to their written agreements, which controversy Third-Party Plaintiff requests the Court to resolve.

64. All of the rights and obligations of the parties arose out of what is actually one transaction or one series of transactions, happenings or events, all of which can be settled and determined in a judgment in this one action. Third-Party

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Plaintiff alleges that an actual controversy exists between the parties to the Third-Party Complaint under the circumstances alleged. A declaration of rights, responsibilities and obligations of Third-Party Plaintiff and Third-Party Defendants, including POES 1 through 500, and each of them, is essential to determine their respective obligations in connection with the principal action and the Third-Party Complaint. Third-Party Plaintiff has no true and speedy remedy at law of any kind.

65. Third-Party Plaintiff herein has been required to retain the services of Wood, Smith, Henning & Berman, LLP to prosecute this action, and is entitled to an award of attorneys' fees and costs.

WHEREFORE, Third-Party Plaintiff prays for judgment as follows:

1. For judgment against Third-Party Defendants, including POES 1 through 500, and each of them, for general and special damages in an amount in excess of $10,000.00;

2. For damages against Third-Party Defendants, including POES 1 through 500, and each of them, if liability is found, upon the theory of indemnity;

3. For damages against Third-Party Defendants, including POES 1 through 500, and each of them, if liability is found, upon the theory of contribution, pursuant to NRS 17.225;

4. For an apportionment of liability among the Third-Party Defendants, including POES 1 through 500, and each of them;

5. For a declaration of rights and obligations as between Third-Party Plaintiff and Third-Party Defendants, including POES 1 through 500, and each of them;

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6. For reasonable attorneys' fees and costs necessarily incurred herein; and

7. For such other and further relief as the Court deems just and proper.

DATED: November 23, 2010

WOOD, SMITH, HENNING & BERMAN LLP

By: _____

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PATRICIA J. PETERSON
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EXHIBIT 119

November 14, 2012 letter from Midlands to Ironshore (ISIC 4284-86)

PMA COMPANIES

P.O. Box 23198
Oklahoma City, OK 73123-1778
Phone: 405.840.0950
Fax: 405.840.0584
www.midlandsclaim.com

Midlands Claim Administrators, Inc.
M L Proffitt, Jr
Claims Examiner
MLProffitt@midman.com
405.426.6101 (Direct)

November 14, 2012

Attn Sanford Oster
AVP, Casualty Claims
Ironshore Insurance
One State Street Plaza
New York, NY 10004
sanford.oster@ironshore.com

Re: Sanchez, et al v KB Home Nevada Inc, et al
Insured : R A M M Corporation
Policy No. : 00V6P0805001 effective November 15, 2008-09
Claimant : Sanchez, et al
Our File No. : 127048-MP

This will serve as our initial report on the above-captioned matter.

Assignment

We have been asked to assist Ironshore in the investigation of a construction defect allegation.

Factual Background

This action involves allegations of construction defect and property damage made by the owners of residences located in the city of Las Vegas, NV. It appears R A M M Corporation completed their work on the project(s) involved in this case from October 3, 2002 to April 4, 2008.

The documents supplied to us revealed the construction involved in this project was completed by R A M M Corporation before the policy inception date.

The Policy

Ironshore issued Policy Number 00V6P0805001 effective November 15, 2008-09. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

To: Mr. Oster
Re: R A M M Corporation
Date: November 14, 2012

The policy is also subject to numerous exclusions and endorsements, including but not limited to, the wrap up exclusion and the Continuous or Progressive Injury or Damage Exclusion (IB.EX.014B 7/08Ed).

Based on our review of the materials and information submitted regarding the subject project, we recommend a declination of coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;
- The project was completed by R A M M Corporation prior to the Ironshore policy's issue date and given the nature of the allegations is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Liability Analysis

We have not been provided with a copy of the defect list or cost of repair.

Injuries/Damages

We have not received a defect list related to this claim.

Reserve Analysis

REDACTED

Litigation Plan

As this matter appears to fall outside the scope of coverage, we do not plan to direct, or participate in any possible litigation related to this claim.

Action Plan

1. Pending your approval, send Declination of coverage, outlining our understanding of the facts and coverage issues and our reasons for concluding that there is no coverage obligation in this case.

To: Mr. Oster
Re: R A M M Corporation
Date: November 14, 2012

2. Monitor, or hold in abeyance for 30 days. If no response at that time, we will close our file.

Next Report Date

None, if no response is received in 30 days.

Yours very truly,

M L Proffitt, Jr

MP/mb

ISIC 4286

EXHIBIT 120

November 14, 2012 letter from Midlands to R.A.M.M. Corporation
(ISIC 4290-4301)

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www.midlandsclaim.com

Midlands Claim Administrators, Inc.
M L Proffitt, Jr
Claims Examiner
MLProffitt@midman.com
405.426.6101 (Direct)

November 14, 2012

VIA REGULAR & CERTIFIED MAIL

Attn Monte L. Brown
R A M M Corporation
3348 Bucyrus Erie
North Las Vegas, NV 89030

Re: Sanchez, et al v KB Home Nevada Inc, et al
Insured : R A M M Corporation
Policy No. : 00V6P0805001 effective November 15, 2008-09
Claimant : Sanchez, et al
Our File No. : 127048-MP

Dear Mr. Brown:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to R A M M Corporation. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves allegations of construction defect and property damage made by the owners of residences located in the city of Las Vegas, NV. It appears R A M M Corporation completed their work on the project(s) involved in this case from October 3, 2002 to April 4, 2008.

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

The documents supplied to us revealed the construction involved in this project was completed by R A M M Corporation before the policy inception date.

The Policy

Ironshore issued Policy Number 00V6P0805001 effective November 15, 2008-09. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. R A M M Corporation completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits of Insurance; and

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A , B. and C.

B. This Insurance applies to "bodily injury" and "property damage" only if:

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

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

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

The Ironshore policies contain the following pertinent definitions:

SECTION V - DEFINITIONS

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Products-completed operations hazard"

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products completed operations are subject to the General Aggregate Limit.

17. "Property Damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. "Your Products":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

22 "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

The Ironshore policies contain the following pertinent Exclusions:

2. Exclusions

j. Damage to Property

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that much be restored, repaired or replaced because "your work" was incorrectly performed on it.

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

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

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

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

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

This insurance does not apply to:

k. Damage To Your Product

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

l. Damage To Your Work

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

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

m. Damage To Impaired Property Or Property Not Physically Injured

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

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

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

n. Recall Of Products, Work Or Impaired Property

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

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

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

Who is an Insured

SECTION II WHO IS AN INSURED, states:

1. *If you are designated in the Declarations as:*

a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your*

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. Paragraph (1) of the Continuous Damage Exclusion provides that (a) property damage from the insured's work performed prior to the policy period will be deemed to have existed prior to the policy period and (b) there is no coverage for property damage which first existed or is alleged to have existed prior to inception of the policy. Here, the dates for R A M M Corporation's work at the subject properties are all prior to the policy inception date. Therefore, even if property damage occurred at the properties within the policy period, the Continuous Damage Exclusion operates to exclude coverage where R A M M Corporation's work was performed prior to the policy period.

Paragraph (1) of the Continuous Damage Exclusion contains an exception to the exclusion for property damage that is sudden and accidental and takes place within the

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

policy period. It is R A M M Corporation's or West Coast Home Builders's burden to show the claim falls within the exception to the exclusion.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2., Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

ISIC 4299

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;
- The project was completed by R A M M Corporation prior to the Ironshore policy's issue date and given the nature of the allegations is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under R A M M Corporation's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned using the contact information on the first page letterhead.

To: R A M M Corporation
Re: Sanchez, et al v KB Home Nevada Inc, et al
Date: November 14, 2012

Yours very truly,

M. L. Proffitt, Jr.

MP/mb

cc: Zurich
P. O. Box 66965
Chicago, IL 60666-0965

ISIC 4301

EXHIBIT 121

December 5, 2012 letter from Zurich to Midlands and others (ISIC 4383-86)

Monshoie

ZURICH

December 5, 2012

National Fire & Marine Insurance Company
4016 Franam St
Omaha, NE 68131-3095

Navigator's Insurance
Reckson Executive Park
6 International Drive
Rye Brook, NY 10573

RECEIVED
DEC 10 2012
MCA

Midland Claims Administrators
United Specialty Insurance Company
3503 NW. 63rd Street, Suite 204
Oklahoma City, OK 73116

ZURICH
Construction Defect &
Professional Liability
Claim Services
Mailing Address:
P.O. Box 66965
Chicago, IL 60666-0965
Telephone (702) 408-3837
Fax (866) 257-1205
www.zurichna.com
Elizabeth.delrosario@zurichna.com

Re: Sanchez, Juan et al. v. KB Homes Nevada et al.
District Court, Clark County, NV, Case no: A-10-616730

Insured:	RAMM Corporation
Claim No:	9260118850
Developer:	KB Homes Nevada
Project:	Tierra Linda subdivision, Las Vegas, NV
Policies:	EPA 30327556 effective [11/29/96 – 11/29/97] CON98717805, effective [11/29/99 – 11/29/02]
NFM Insurance:	72LPE682557, 72LPE692098, 72LPE697103 &72LPE691713 Effective 11/29/02 – 11/29/06
Navigator's Ins:	SF07CGL010164-00 11/29/07-11/29/08
United Specialty Ins:	IRH 00V6P0805001 effective 11/15/08 – 11/15/09

Dear Claims Professionals:

The purpose of this letter is to tender the defense and indemnity on behalf of RAMM Corporation, under any and all insurance policies listed above, for the above referenced matter.

Please be advised that our investigation is ongoing and at this time we are not in a position to accept or reject RAMM's tender. As result, at this time, we will not be assigning counsel to defend RAMM for this matter.

This case involves single family homes within the Tierra Linda community, located in Las Vegas, Nevada. To date, four homes have withdrawn from this matter, leaving a total of 185 homes in the case. The homes were constructed between

ISIC 4383

10/3/02 and 4/4/08. A portion of the homes (140 SFH) are covered by a Wrap Insurance policy that went into effect on 2/1/04. KB Home's records indicate that RAMM Corp enrolled in the Wrap policy as of 2/1/04. 45 of the homes that are not covered by the WRAP policy were constructed between 10/3/02 to 1/16/04.

KB Home is not pursuing the homes that are covered by the WRAP policy.

Complaint was filed against KB Home Nevada Inc for the following causes of action:

1. Breach of Contract and Breach of Express Warranties
2. Breach of Implied Warranties
3. Negligence and Negligence per se
4. Breach of Implied Warranty of Habitability

First Amended Complaint was filed on 11/1/10 to add by name additional Plaintiff homeowners.

Third Party Complaint was filed on 5/6/11, naming multiple subcontractors for the following causes of action:

1. Negligence
2 Breach of Contract
3. Express Indemnity
4. Implied Indemnity
5. Equitable Indemnity
6. Breach of Express and Implied Warranties
7. Breach of Implied Warranty of Fitness and
   Breach of Implied Warranty of Merchantability
8. Contribution
9. Apportionment

Third party Complaint has been filed but RAMM Corporation has not been named in the Third Party Complaint.

KB has placed RAMM on noticed of the above case matter on 10/17/12 and requesting that if RAMM refuse to perform repairs as requested, KB Home will proceed with filing a motin to amend its Third Party Complaint to name RAMM Corp as a third Party defendant in this matter pursuant to NRS 40.6472(4).

KB Homes Nevada entered in a Master subcontract agreement with RAMM Corporation on 9/1/05 and 5/1/06 to complete the grading and paving (WRAP Insurance program). The contracts provided is non-project specific.

KB Homes also entered in a subcontract agreement with RAMM Corporation to complete the grading and paving work on 5/1/01. However the contract provided is not project specific or show that RAMM completed work in the Tierra Linda project.

Michelle Beckwith with RAMM Corporation reports that RAMM completed the rough grading between 2001 and 2006. RAMM Corporation will not be able to make repairs for this project. Ms. Beckwith has reported that they have not been served with the Summons and Third Party Complaint for this case matter.

Please acknowledge receipt of this letter, in writing, within the next thirty (30) days. Please also inform me as to the adjuster assigned, claim number, and position regarding the defense and indemnification of our mutual insured.

Please be advised that we are undertaking a complete review of this claim. At this time, our information and documentation is limited and our investigation is continuing. We tender this matter to you so that you may complete your own investigation. All actions taken in regard to this matter are undertaken, subject to a complete reservation of rights under the terms, conditions and provisions of the policies and in law and equity. No action taken shall constitute an admission of liability or coverage under the policies, and should not be construed as a waiver of any right or as an estoppel from asserting any right to disclaim or limit coverage under the policies.

If you have any questions, please do not hesitate to contact the undersigned at (702)408-3837.

Very truly yours,

Northern Insurance Company of New York
Assurance Company of America

Liz Del Rosario
Claims Specialist III
CD and PL Claims Services
(702) 408-3837
email: elizabeth.delrosario@zurichna.com

ISIC 4385

cc: Leavitt Insurance Agency
Attn: Sharon E. Almeida
7881 W. Charleston Blvd, Suite 140
Las Vegas, NV 89117

RAMM Corporation
Attn: Michelle Beckwith
3348 Bucyrus Erie
North Las Vegas, NV 89030

ISIC 4386

EXHIBIT 122
(Part 1)

Ironshore policy no. 00XXV0905001 (with the premium amount redacted), issued to PR Construction Corporation, for the policy period of January 31, 2009, to January 31, 2010 (ISIC 3353-3410)

Part 1 (ISIC 3353-3380)

IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

This insurance contract is issued pursuant to the Nevada insurance laws by an insurer neither licensed by nor under the supervision of the Division of Insurance of the Department of Business and Industry of the State of Nevada. If the insurer is found insolvent, a claim under this contract is not covered by the Nevada Insurance Guaranty Association Act.

COMMERCIAL GENERAL LIABILITY DECLARATIONS

Policy Number: 00XXV0905001

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS COVERAGE PART, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

1. Named Insured & Mailing Address:
PR Construction Corporation
4201 Cannoli Circle
Las Vegas, NV 89103

2. Policy Period:
Inception January 31, 2009 to
Expiration January 31, 2010 at 12:01 a.m. standard time at your address shown above.

3. Form of Business: Contractor

4. Limits of Insurance:

$ 1,000,000	Each Occurrence
$ 2,000,000	General Aggregate
$ 2,000,000	Products – Completed Operations Aggregate
$ 1,000,000	Personal and Advertising Injury
$ 50,000	Fire Damage

5. Deductible: $10,000 BI & PD & PI/AI, Per Occurrence, Including LAE

6. Coverage Part Premium Calculation:
Coverage Part Premium:
Inspection Fee: REDACTED
Terrorism Premium:
Coverage Part Total:

PREMIUM IS MINIMUM AND DEPOSIT

7. Audit Period: Annual

ISIC 3353

Policy Number: 00XXV0905001

8. Endorsements Attached To This Policy: See Schedule of Forms and Endorsements.

1. IB.EX.003 Common Policy Conditions
2. IB.EX.006 Amended Insured Contract Definition
3. IB.EX.007 Amendment of Premium
4. IB.EX.009 Basis of Premium
5. IB.EX.010 Claims Notification
6. IB.EX.012 Deductible Liability Insurance
7. IB.EX.013 Asbestos Exclusion
8. IB.EX.014B Continuous or Progressive Injury Excl 08 Edition
9. IB.EX.015 Contractors Professional Liability
10. IB.EX.018 Employment-Related Practices
11. IB.EX.019 Exterior Insulation and Finish Systems
12. IB.EX.022 Influenza or Epidemic Exclusion
13. IB.EX.023 Lead Contamination
14. IB.EX.025 Medical Payments Exclusion
15. IB.EX.026 Mold, Fungi or Bacteria
16. IB.EX.027 Nuclear Energy Liability Exclusion Endorsement
17. IB.EX.028 Silica or Silica Related Dus tExclusion
18. IB.EX.030 Terrorism Exemption
19. IB.EX.031 Total Pollution Exclusion Endorsement
20. IB.EX.032 Emails Fax Phone Calls Or Other Methods Of Sending Material Or Information
21. IB.EX.033 Operations Covered By A Consolodated (Wrap-Up) Insurance Program
22. IB.EX.034 Independent Contractors Limitation of Coverage
23. IB.EX.037 Service of Suit
24. IB.EX.041 Waiver of Transfer of Rights of Recovery Against Others To Us
25. IB.EX.008 Automatic Status_08 edition

9. Producer & Mailing Address
Chartwell Independent Insurance Brokers (Los Angeles)
523 W. 6th Street, Suite 528
Los Angeles, CA 90014

License Number: 196395

10. Surplus Lines Broker & Mailing Address:
Chartwell Independent Insurance Brokers (Los Angeles)
523 W. 6th Street, Suite 528
Los Angeles, CA 90014

License Number: 536927

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Authorized Representative

February 24, 2009
Date

Policy Number: 00XXV0905001

COMMERCIAL GENERAL LIABILITY CLASSIFICATION AND PREMIUM SCHEDULE

LOCATION NUMBER	CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE		ADVANCE PREMIUM	
				Prem/ Ops	Prod/Comp Ops	Prem/ Ops	Prod/Comp Ops
	Carpentry - Interior	91341 (3B)	$1,600,000.	REDACTED			

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IB.EX.002 (12/07Ed)

Page 3 of 3

ISIC 3355

IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Policy Number: 00XXV0905001

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V –Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. **Insuring Agreement**

   a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

   (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

   (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

   No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

   b. **This insurance applies to "bodily injury" and "property damage" only if:**

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

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

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

   c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

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

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

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. **Exclusions**

This insurance does not apply to:

a. **Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. **Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

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

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. **Liquor Liability**

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

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

d. **Workers' Compensation And Similar Laws**

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

e. **Employer's Liability**

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

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

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. **Pollution**

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

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

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

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

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

g. **Aircraft, Auto Or Watercraft**

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

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. **Mobile Equipment**

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

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

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. **War**

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

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. **Damage To Property**

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

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

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

k. **Damage To Your Product**

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

l. **Damage To Your Work**

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

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

m. **Damage To Impaired Property Or Property Not Physically Injured**

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

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

n. **Recall Of Products, Work Or Impaired Property**

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

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

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

o. **Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

p. **Electronic Data**

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. **Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. **Exclusions**

This insurance does not apply to:

a. **Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. **Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. **Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. **Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. **Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. **Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. **Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. **Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. **Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. **Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web-sites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. **Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. **Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. **Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. **Pollution-Related**

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

COVERAGE C MEDICAL PAYMENTS

1. **Insuring Agreement**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within one year of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

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

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. **Exclusions**

We will not pay expenses for "bodily injury":

a. **Any Insured**

To any insured, except "volunteer workers".

b. **Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. **Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

d. **Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. **Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. **Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

g. **Coverage A Exclusions**

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

a. All expenses we incur.

b. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.

e. All costs taxed against the insured in the "suit".

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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

a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or

b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

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

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

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

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III – LIMITS OF INSURANCE

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

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Medical expenses under Coverage C;

b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

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

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage A; and

b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy**

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

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

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

(1) How, when and where the "occurrence" or offense took place;

(2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

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

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

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

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

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

3. **Legal Action Against Us**

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

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

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

4. **Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. **Primary Insurance**

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. **Excess Insurance**

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

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

(b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

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

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.

(2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

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

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

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

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

c. **Method Of Sharing**

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

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

5. **Premium Audit**

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. **Representations**

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. **Separation Of Insureds**

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

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

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

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

9. **When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

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

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

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

4. "Coverage territory" means:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in a. above;

(2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

   a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

   b. You have failed to fulfill the terms of a contract or agreement;

   if such property can be restored to use by:

   a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

   b. Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

   a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

   b. A sidetrack agreement;

   c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

   d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

   e. An elevator maintenance agreement;

   f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

      Paragraph f. does not include that part of any contract or agreement:

      (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

      (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

         (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

         (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

      (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

    a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

    b. While it is in or on an aircraft, watercraft or "auto"; or

    c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

    but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

    a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

    b. Vehicles maintained for use solely on or next to premises you own or rent;

    c. Vehicles that travel on crawler treads;

    d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

       (1) Power cranes, shovels, loaders, diggers or drills; or

       (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

    e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

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

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
    a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
21. "Your product":
    a. Means:
        (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
            (a) You;
            (b) Others trading under your name; or
            (c) A person or organization whose business or assets you have acquired; and
        (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
    b. Includes
        (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
        (2) The providing of or failure to provide warnings or instructions.
    c. Does not include vending machines or other property rented to or located for the use of others but not sold.
22. "Your work":
    a. Means:
        (1) Work or operations performed by you or on your behalf; and
        (2) Materials, parts or equipment furnished in connection with such work or operations.
    b. Includes
        (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
        (2) The providing of or failure to provide warnings or instructions.

Ironshore Specialty Insurance Company by:

Secretary

President

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

Endorsement # 1

Policy Number: 00XXV0905001 **Effective Date of Endorsements: January 31, 2009**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A) Cancellation
   1) The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
   2) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
      a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
      b) 30 days before the effective date of cancellation if we cancel for any other reason.
   3) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
   4) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
   5) If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
   6) If notice is mailed, proof of mailing will be sufficient proof of notice.

B) Changes

C) This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

D) Examination Of Your Books And Records

E) We may examine and audit your books and re-cords as they relate to this policy at any time during the policy period and up to three years after-ward.

F) Inspections And Surveys
   1) We have the right to:
      a) Make inspections and surveys at any time;
      b) Give you reports on the conditions we find; and
      c) Recommend changes.
   2) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged.

We do not make safety inspections. We do not undertake to perform the duty of any per-son or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

a) Are safe or healthful; or
b) Comply with laws, regulations, codes or standards.

3) Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4) Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

G) Premiums
H) The first Named Insured shown in the Declarations:
   1) Is responsible for the payment of all premiums; and
   2) Will be the payee for any return premiums we pay.
I) Transfer Of Your Rights And Duties Under This Policy
J) Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.
K) If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

Endorsement # 2

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph 9. of the Definitions Section is replaced by the following:

9 "Insured contract" means:

a) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b) A sidetrack agreement;

c) Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d) An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e) An elevator maintenance agreement;

f) That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

1 That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

2 That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

3 Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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1 Exchange Plaza
(55 Broadway) 12th Floor
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Endorsement # 3

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph 5. of SECTION IV – CONDITIONS is replaced by the following:

This insurance does not apply to any "bodily injury" or "property damage":

5 Premium Audit
   a) We will compute all premiums for this Policy in accordance with our rules and rates.
   b) Premium shown in this Policy is the advance premium for the policy term. If the final audit develops a premium less than the advance premium, a minimum premium of will be retained by us. If the final audit develops a premium greater than the advance premium, additional premium shall be due and payable to us on notice to the first Named Insured.
   c) The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.
   d) In the event you cancel this Policy, a minimum premium of or the applicable pro-rata/short rate earned premium, whichever is greater, will be retained by us.
6 Your failure to pay premium when due shall be considered a request by the first Named Insured or their appointed authority for us to cancel. In the event of such cancellation for non-payment of premium the minimum premium shall be due and payable.
7 We have the right, but are not obligated, to rescind our cancellation notice if the premium is received prior to the effective date of cancellation.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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1 Exchange Plaza
(55 Broadway) 12th Floor
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Endorsement # 4

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BASIS OF PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended to include the following definitions of basis of premium used for computing premiums for this coverage:

Gross Sales or Receipts is defined as the gross amount charged by the named insured, concessionaires of the named insured, or by others trading under the insured's name for:
a. All goods or products, sold or distributed;
b. Operations performed during the policy period;
c. Rentals; and
d. Dues or fees.

Only the following items shall be deducted from Gross Sales or Receipts:
1. Sales or excise taxes which are collected and remitted directly to a governmental division;
2. Credits for repossessed merchandise and products returned.

Payroll or Remuneration is defined as the sum of salaries, wages, tips, piece of work, commission, bonuses, board and meals for work performed and excluding excess in accordance with the state payroll limitation rules.

Overtime is defined as hours worked at increased rates of pay in excess of hours normally worked in a given day or week. If there is a guaranteed wage plan which assures employees a given wage for working a specific number of hours per week, then the overtime means only the hours worked in excess of that specific amount. If there are records available showing the wages paid for overtime separately, which exceed the amount that would have been paid for the same work during normal hours, then all such excess wages are excluded. If these records show only the total of wages paid, including overtime on a time and one-half basis, then one-third of those wages should be excluded. If double time is paid for overtime and the total pay for such overtime is recorded separately, one-half of the total pay for double time shall be excluded.

Excluded from payroll is remuneration paid to clerical office employees, including those whose duties are strictly limited to keeping the insured's books or records, conducting correspondence, or engaged in clerical work in these areas. Anyone who does not work in the area separated physically by walled floors, or partitions from all other work areas of the insured is not considered. An exception to this is if the payroll or clerical office employees are specifically included in the classification wording or footnote of the ISO general liability classification.

Total Cost or **Cost** is defined as the total cost of all work, let or sublet in connections with each specific project including:

a. The cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work; and
b. All fees, bonuses or commissions made, paid or due.

Units is defined as the number of persons or items described.

Rental Receipts is defined as the gross amount charged by the named insured, concessionaires of the named insured, or by others trading under the insured's name for rental of equipment.

Admissions is defined as the total number of persons, other than employees of the named insured, admitted to an event or events conducted on the premises, whether on paid admission, tickets, complimentary tickets, or passes.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
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Endorsement # 5

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIMS NOTIFICATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Send all claim notifications and information to:

MIDLANDS CLAIM
PO Box 23198
Oklahoma City, OK 73123
Phone: 1-800-498-9758
Fax: 405-840-0584
Website: www.midlandsclaim.com

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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1 Exchange Plaza
(55 Broadway) 12th Floor
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Endorsement # 6

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Amount and Basis of Deductible	
Bodily Injury Liability	$N/A $N/A	per claim per occurrence
Property Damage Liability	$N/A $N/A	per claim per occurrence
Bodily Injury Liability and/or Property Damage Liability Combined	$N/A $10,000	per claim per occurrence
Personal Injury Liability	$10,000	per injury
Advertising Injury Liability	$10,000	per injury

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury", "personal injury", "advertising injury", or "property damage", however caused):

1. Our obligation under the Bodily Injury Liability, Personal Injury Liability, Advertising Injury Liability, and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages, and the limits of insurance applicable to such coverages will be reduced by the amount of such deductible. "Aggregate" limits for

such coverage shall not be reduced by the application of such deductible amount.

2. The deductible amounts stated in the Schedule apply as follows:
   a. PER CLAIM BASIS - if the deductible is on a "per claim" basis, the deductible amount applies:
      (1) Under Bodily Injury Liability or Property Damage Liability Coverage respectively:
         a. to all damages because of "bodily injury" sustained by one person, or
         b. to all damages because of "property damage" sustained by one person or organization,

      as a result of any one "occurrence."
      (2) Under Bodily Injury Liability and Property Damage Liability Coverage Combined to all damages because of "bodily injury" and "property damage" sustained by one person or organization as the result of any one "occurrence."
   b. PER OCCURRENCE BASIS - if the deductible is on a "per occurrence" basis the deductible amount applies:
      (1) Under Bodily Injury Liability or Property Damage Liability Coverage, respectively:
         a. to all damages because of "bodily injury" as the result of any one "occurrence," or
         b. to all damages because of "property damage" as the result of any one "occurrence,"

      regardless of the number of persons or organizations who sustain damages because of that "occurrence".
      (2) Under Bodily Injury Liability and Property Damage Liability Coverage Combined to all damages because of "bodily injury" and "property damage" as the result of any one "occurrence regardless of the number of persons or organizations who sustain damages because of that "occurrence."
   c. PER INJURY BASIS - if the deductible is on a "per injury" basis the deductible amount applies:
      (1) Under the Personal Injury Liability Coverage to all damages because of "personal injury" sustained by one person or organization as a result of any one injury.
      (2) Under the Advertising Injury Liability Coverage to all damages because of "advertising injury" sustained by one person or organization as a result of any one injury.
3. The deductible amount stated shall also apply towards the investigation, adjustment and legal expenses incurred in the handling and investigation of each claim, whether or not payment is made to any claimant, comprise settlement is reached, or the claim is denied.
4. The terms of this insurance, including those with respect to:
   (a) Our right and duty to defend any "suits" seeking those damages; and
   (b) Your duties in the event of an "occurrence," claim, or suit

   apply irrespective of the application of the deductible amount.
5. We may pay any part or all of the deductible amount towards investigation, adjustment and legal expense, or to effect settlement of any claim or suit and, upon notification of such payment, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

Endorsement # 7

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
BUSINESSOWNERS LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below:
(The following needs to be completed only when this endorsement is issued subsequent to inception of the policy.)

Named Insured PR Construction Corporation	
Endorsement Effective January 31, 2009	Policy Number 00XXV0905001

This insurance does not apply to:

A) "Bodily injury", "property damage" or "personal and advertising injury", in whole or in part, either directly or indirectly arising out of, based upon or attributable to any of the following:

1. Asbestos or any asbestos related injury or damage; or

2. any alleged act, error, omission or duty involving asbestos, its use, exposure, presence, ingestion, inhalation, absorption, existence, detention, removal, elimination or avoidance; or

3. the use, exposure, presence, ingestion, inhalation, absorption, existence, detention, removal, elimination or avoidance of asbestos in any environment, building or structure; and

EXHIBIT 122
(Part 2)

Ironshore policy no. 00XXV0905001 (with the premium amount redacted), issued to PR Construction Corporation, for the policy period of January 31, 2009, to January 31, 2010 (ISIC 3353-3410)

Part 2 (ISIC 3381-3410)

B) The investigation, settlement or defense of any claim, "suit" or proceeding against the insured alleging any actual or threatened injury or damage which arises out of or would not have occurred but for asbestos "bodily injury", "property damage" or "personal and advertising injury", as described above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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1 Exchange Plaza
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Endorsement # 8

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury" or "property damage":

1. which first existed, or is alleged to have first existed, prior to the inception of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period); or

2. which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or

3. which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 9

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CONTRACTORS – PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

1. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:
   a. Providing engineering, architectural or surveying services to others in your capacity as an engineer, architect or surveyor; and
   b. Providing, or hiring independent professionals to provide, engineering, architectural or surveying services in connection with construction work you perform.
2. Subject to Paragraph 3. below, professional services include:
   a. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, re-ports, surveys, field orders, change orders, or drawings and specifications; and
   b. Supervisory or inspection activities performed as part of any related architectural or engineering activities.
3. Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor.

ALL OTHER TERMS/CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IB.EX.015 (12/07Ed.)

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Endorsement # 10

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability**:
This insurance does not apply to:
"Bodily injury" to:
(1) A person arising out of any:
(a) Refusal to employ that person;
(b) Termination of that person's employment; or
(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)**, or **(c)** above is directed.
This exclusion applies:
(1) Whether the insured may be liable as an employer or in any other capacity; and
(2) To any obligation to share damages with or repay someone else who must pay dam-ages because of the injury.

B. The following exclusion is added to Paragraph **2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:
This insurance does not apply to:
"Personal and advertising injury" to:
(1) A person arising out of any:
(a) Refusal to employ that person;
(b) Termination of that person's employment; or
(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.
This exclusion applies:

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

(2) To any obligation to share damages with or repay someone else who must pay dam-ages because of the injury.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 11

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – EXTERIOR INSULATION AND FINISH SYSTEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
   1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
   2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system", or any substantially similar sys-tem, is used on the part of that structure containing that component, fixture or feature.

B. The following definition is added to the Definitions Section:

C. "Exterior insulation and finish system" means a non-load bearing exterior cladding or finish sys-tem, and all component parts therein, used on any part of any structure, and consisting of:
   1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
   2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
   3. A reinforced or unreinforced base coat;
   4. A finish coat providing surface texture to which color may be added; and
   5. Any flashing, caulking or sealant used with the system for any purpose.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 12

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INFLUENZA OR EPIDEMIC EXCLUSION

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below:
(The following needs to be completed only when this endorsement is issued subsequent to inception of the policy.)

Named Insured . PR Construction Corporation	
Endorsement Effective January 31, 2009	Policy Number 00XXV0905001

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury", loss or damage, or cost or expense arising out of, caused by or resulting from, directly or indirectly:

A The:
1. infection or feared or suspected infection with;
2. diagnosis of or treatment for, or failure to diagnose or treat;
3. quarantine for or attempted containment of, or failure to quarantine or contain;
4. presence or detection of, or failure to detect;
5. prevention of or vaccination against, or failure to prevent or vaccinate;
6. restrictions on travel due to, or failure to restrict travel due to; or
7. declaration of an epidemic or pandemic due to, or failure to declare an epidemic or pandemic due to;

any type of influenza virus, including but not limited to types A, B or C virus, any subtype or strain of the influenza A, B or C virus (including but not limited to the H5 and H7 subtypes), any similar or related influenza or virus, or any derivation from, reassortment, or mutation (occurring either naturally or through human intervention) of the influenza A, B or C virus, including but not limited to a human influenza virus.

B Any epidemic, pandemic, pandemic alert or outbreak (or other term of similar meaning) that is declared, announced or otherwise notified by the U.S. Center for Disease Control and Prevention (as such is reported in the Morbidity and Mortality Weekly Report), World Health Organization, or any national, state or local public health organization (or organization acting in a similar capacity).

Exclusion of the epidemic or pandemic infectious disease shall begin as of the date of such announcement or notification and shall continue until the termination date of such epidemic or pandemic; provided, however, that this exclusion shall continue to apply to any individual case of epidemic or pandemic infectious disease contracted during the exclusionary period that continues beyond the termination date.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 13

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD CONTAMINATION EXCLUSION

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
BUSINESSOWNERS LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below:
(The following needs to be completed only when this endorsement is issued subsequent to inception of the policy.)

Named Insured PR Construction Corporation	
Endorsement Effective January 31, 2009	Policy Number 00XXV0905001

This insurance does not apply to:

A "Bodily injury", "property damage" or "personal and advertising injury" in whole or in part, either directly or indirectly, arising out of, based upon or attributable to any of the following:

1. The use, installation, storage, withdrawal, removal, encapsulation, destruction, containment, testing, distribution, ownership, presence, ingestion, inhalation, absorption, sale or disposal of lead, lead dust, lead fibers or material containing lead;
2. Exposure to lead, lead dust, lead fibers or material containing lead; or
3. Any error or omission in supervision, instructions, recommendations, notices, warnings or advice given, or which should have been given, in connection with lead, lead dust, lead fibers or material containing lead.

B The investigation, settlement or defense of any claim, "suit" or proceeding against the insured alleging any actual or threatened injury or damage which arises out of or would not have occurred but for lead "bodily injury", "property damage" or "personal and advertising injury", as described above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 14

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description And Location Of Premises Or Classification:
Any and All Locations.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any premises or classification shown in the Schedule:

1. Section I – Coverage C – Medical Payments does not apply and none of the references to it in the Coverage Part apply: and
2. The following is added to Section I – Supplementary Payments:
   h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 15

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOLD, FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Notwithstanding anything to the contrary contained in the policy or any endorsement attached thereto, this insurance does not apply to and shall not respond to any claim, demand or "suit" alleging:

1 "Bodily Injury," "Property Damage" or "Personal and Advertising Injury" arising out of, in whole or in part, the actual, alleged or threatened discharge, inhalation, ingestion, dispersal, seepage, migration, release, escape or existence of any mold, mildew, bacteria or fungus, or any materials containing them, at any time.

2 Any loss, cost or expense arising out of any:
   a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of any mold, mildew, bacteria or fungus, or any materials containing them; or

   b. Claim, demand or "suit" by or on behalf of a governmental authority or any other person or organization for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of any mold, mildew, bacteria or fungus, or any materials containing them.

3 An obligation to contribute to, share damages with, repay or indemnify someone else who must pay damages, loss, cost or expense because of "Bodily Injury," "Property Damage" or "Personal and Advertising Injury" as set forth in 1., 2.a., or 2.b. above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 16

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1 The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(a) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(b) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been is-sued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

(a) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(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 "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any

"nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2 As used in this endorsement:
"Hazardous properties" includes radioactive, toxic or explosive properties.
"Nuclear material" means "source material", "Special nuclear material" or "by-product material".
"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
"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 (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any per-son or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".
"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.
"Property damage" includes all forms of radioactive contamination of property.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 17

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:
   2. Exclusions
This insurance does not apply to:
Silica Or Silica-Related Dust
   a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
   b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
   c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:
   2. Exclusions
This insurance does not apply to:
Silica Or Silica-Related Dust
   a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
   b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

C. The following definitions are added to the Definitions Section:
   1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
   2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IB.EX.028 (12/07Ed.)

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Endorsement # 18

Policy Number: 00XXV0905001 **Effective Date of Endorsements: January 31, 2009**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

We will not pay for loss or damage caused directly or indirectly by "Terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Where used in this endorsement, "Terrorism" means activities directed against any person, organization or property which activities involve any of the following, or any preparation for, or acts in furtherance of, any of the following (referred to in this endorsement as "Activities"):

A. The use or threat of force or violence; or
B. The commission or threat of any dangerous act; or
C. The commission or threat of any act that interferes with or disrupts any electronic, communication, information, or mechanical system;

and one or both of the following is applicable to A., B., or C. above:

1. The effect or intended effect of the activities described in A., B., or C. above is to intimidate or coerce any government or governmental agency, or the civilian population or any segment thereof, or to disrupt any segment of the economy.
2. The effect or intended effect of the activities described in A., B., or C. above is to further any political, ideological, religious, social or economic objectives or to express (or express opposition to) any philosophy or ideology.

"Terrorism" specifically includes, but is not limited to any Activities that:

A. Involve the use, release or escape of any nuclear materials, or that directly or indirectly result in nuclear reaction or radiation or radioactive contamination of any kind; or

B. Are carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

C. Involve the intentional or deliberate release of any pathogenic or poisonous, biological, or chemical materials.

"Terrorism" also specifically includes any "Certified Act of Terrorism." The term "Certified Act of Terrorism" means any act that is certified by the United States Secretary of the Treasury, in concurrence with the United

States Secretary of State, and the Attorney General of the United States, in accordance with the United States Terrorism Risk Insurance Act of 2002 (the "Act"):

A. to be an act of terrorism;
B. to be a violent act or an act that is dangerous to:
   1. human life; property; or
   2. infrastructure;
C. to have resulted in damage within the United States, or outside of the United States in the case of:
   1. an air carrier or vessel described in paragraph (5)(B) of the Act;
   2. or the premises of a United States mission; and
D. to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 19

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:
This insurance does not apply to:

f. Pollution
   1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

   2) Any loss, cost or expense arising out of any:
      a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
      b) Claim or suit by or on behalf of a govern-mental authority for damages because of testing for, monitoring, cleaning up, re-moving, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 20

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF STATUTES THAT GOVERN E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF SENDING MATERIAL OR INFORMATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:
   2. Exclusions
      This insurance does not apply to:
      DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES
      "Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:
      a) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
      b) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
      c) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:
   2. Exclusions
      This insurance does not apply to:
      DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES
      "Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:
      a) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
      b) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
      c) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

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Endorsement # 21

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Cover-ages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

Endorsement # 22

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDEPENDENT CONTRACTORS LIMITATION OF COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any claim, demand or "suit" arising out of operations performed for you by independent contractors unless:

(1) Such independent contractors have in force, at the time of the subject "occurrence," commercial general liability insurance listing you as an additional insured; and

(2) The limits of liability of such insurance are equal to or greater than those shown in the schedule below; and

(3) The insurance described in (1) and (2) above is primary and non-contributory with respect to such "occurrence."

GENERAL AGGREGATE LIMIT (Other than Products-Completed Operations)	$2,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	$2,000,000
PERSONAL INJURY LIMIT AND ADVERTISING INJURY LIMIT	$1,000,000
EACH OCCURRENCE LIMIT	$1,000,000

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

Endorsement # 23

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

All Coverage Parts included in this policy are subject to the following conditions.

SERVICE OF SUIT

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Named Insured, will submit to the jurisdiction of any Court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such Court jurisdiction, and all matters arising hereunder shall be determined in accordance with the law and practice of such court. It is further agreed that service of process in such suit may be made upon:

CT Corporation System
1-800-624-0909

or his nominee, and that in any suit instituted against them upon this contract, the Company will abide by the final decision of such Court of any Appellate Court in the event of an appeal.

The above named individual is authorized and directed to accept service of process on behalf of the Company in any such suit and/or upon the request of the Named Insured to give written undertaking of the Named Insured that it or they will enter a general appearance upon the Company's behalf in the event of a suit shall be instituted.

Further, pursuant to any statute of any State, Territory, or District of the United States of America, which makes provision therefore, the Company hereby designates 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 service any lawful process in any action, suit or proceeding instituted by or on behalf of the Named Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IB.EX.037 (12/07Ed.)

ISIC 3402

IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

Endorsement # 24

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: "As required by written contract"

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)
The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV – COMMERCIAL GEN-ERAL LIABILITY CONDITIONS) is amended by the addition of the following:
We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

Endorsement # 25

Policy Number: 00XXV0905001 Effective Date of Endorsements: January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:
   1. Your acts or omissions; or
   2. The acts or omissions of those acting on your behalf;

   in the performance of your ongoing operations for the additional insured.
   A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.
   It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary.
B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:
   This insurance does not apply to:
   1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
      a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
      b. Supervisory, inspection, architectural or engineering activities.
   2. "Bodily injury" or "property damage" occurring after:
      a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

ISIC 3404

b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project; or
c. "Property Damage" which manifests after expiration of the Policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

ENDORSEMENT #26

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE:

Policy No.: 00XXV0905001

Effective Date: January 31, 2009

Name of Additional Insured Person(s) Or Organization(s):	Location and Description of Completed Operations:
We shall name person(s) or organization(s) as additional insureds to this insurance as required under a written contract with the Named Insured entered into before the claim or loss. No coverage, indemnity and/or defense shall be provided under this endorsement for any person(s) or organization(s) claiming to be additional insured(s) for claims or losses which do not arise from the Named Insured's work under a written contract. The Named Insured's mere presence at a worksite shall not be deemed sufficient to require coverage, indemnity and/or defense to any person(s) or organization(s) claiming to be an additional insured under this endorsement. There shall be no coverage, indemnity, defense, and/or duty to defend any person(s) or organization(s) claiming to be an additional insured under this endorsement if the claim or loss does not arise, in whole or in part, from the negligence and/or fault of the Named Insured.	

IB.EX.060A (12/08)

ISIC 3406

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and including in the "products-completed operations hazard."

All other terms of the insurance are unaltered.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

February 24, 2009
Date

IB.EX.060A (12/08)

ISIC 3407

IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY
1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

Policy Number: 00XXV0905001 **Effective Date of Endorsements:** January 31, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Named Insured: PR Construction Corporation
Coverage Parts Affected: Commercial General Liability
Changes: In consideration of no additional premium, it is understood and agreed that form IB.EX.011, Designated Construction Project(s) General Aggregate Limit is added to the policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

March 25, 2009
Date

ISIC 3408

IRONSHORE SPECIALTY INSURANCE COMPANY

1 Exchange Plaza
(55 Broadway) 12th Floor
New York, NY 10006
(877) IRON411

Endorsement # 26

Policy Number: **00XXV0905001** Effective Date of Endorsements: **January 31, 2009**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Projects: As required by written contract. We will not pay more than $5,000,000 for A.I., for all Projects involved, regardless the number of the Projects.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under COVERAGE A (SECTION I), and for all medical expenses caused by accidents under COVERAGE C (SECTION I), which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
   1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
   2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under COVERAGE A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under COVERAGE C regardless of the number of:
      a. Insureds;
      b. Claims made or "suits" brought; or
      c. Persons or organizations making claims or bringing "suits".
   3. Any payments made under COVERAGE A for damages or under COVERAGE C for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
   4. The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under COVERAGE A (SECTION I), and for all medical expenses caused by accidents under COVERAGE C (SECTION I), which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
   1. Any payments made under COVERAGE A for damages or under COVERAGE C for medical expenses shall reduce the amount available under the General Aggregate Limit or the

Products-Completed Operations Aggregate Limit, whichever is applicable; and

2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.

C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.

D. If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.

E. The provisions of Limits of Insurance (SECTION III) not otherwise modified by this endorsement shall continue to apply as stipulated.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

March 25, 2009
Date

EXHIBIT 123
(Part 1)

Ironshore policy no. 000115801 (with the premium amount redacted), issued to PR Construction Corporation, for the policy period of January 31, 2010, to January 31, 2011 (ISIC 3551-3606)

Part 1 (ISIC 3551-3578)

IRONSHORE
your safe harbour

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

This insurance contract is issued pursuant to the Nevada insurance laws by an insurer neither licensed by nor under the supervision of the Division of Insurance of the Department of Business and Industry of the State of Nevada. If the insurer is found insolvent, a claim under this contract is not covered by the Nevada Insurance Guaranty Association Act.

COMMERCIAL GENERAL LIABILITY DECLARATIONS

Policy Number: 000115801

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS COVERAGE PART, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

1. Named Insured & Mailing Address:
PR Construction Corporation
4201 Cannoli Circle
Las Vegas, NV 89103

2. Policy Period:

Inception	January 31, 2010	**to**
Expiration	January 31, 2011	**at 12:01 a.m. standard time at your address shown above.**

3. Form of Business: Contractor

4. Limits of Insurance:

$1,000,000	**Each Occurrence**
$2,000,000	**General Aggregate**
$2,000,000	**Products – Completed Operations Aggregate**
$1,000,000	**Personal and Advertising Injury**
$ 50,000	**Fire Damage**

5. Deductible: $10,000 **BI & PD & PI/AI, Per Occurrence, Including LAE**

6. Coverage Part Premium Calculation:
Coverage Part Premium:
Inspection Fee:
Terrorism Premium:
Coverage Part Total:

REDACTED

PREMIUM IS MINIMUM AND DEPOSIT

7. Audit Period: Annual

8. Endorsements Attached To This Policy: See Schedule of Forms and Endorsements.
1. IB.EX.003 (1009) Common Policy Conditions
2. IB.EX.006 (1009) Amended Insured Contract Definition

ISIC 3551

Policy Number: 000115801

3. IB.EX.007A (1009) Amendment of Premium
4. IB.EX.008 (1009) Automatic Status Owners, Lessees or Contractors Automatic Status
5. IB.EX.009 (1009) Basis of Premium
6. IB.EX.010 (1009) Claims Notification
7. IB.EX.011 (1009) Designated Construction Projects
8. IB.EX.012 (1009) Deductible Liability Insurance
9. IB.EX.013 (1009) Asbestos Exclusion
10. IB.EX.014B (1009) Continuous or Progressive Injury Exclusion (Broad Form)
11. IB.EX.015 (1009) Contractors Professional Liability
12. IB.EX.018 (1009) Employment-Related Practices Exclusion
13. IB.EX.019 (1009) Exterior Insulation and Finish Systems
14. IB.EX.022 (1009) Influenza or Epidemic Exclusion
15. IB.EX.023 (0909) Lead Contamination
16. IB.EX.025 (1009) Medical Payments Exclusion
17. IB.EX.026 (1009) Mold, Fungi or Bacteria
18. IB.EX.027 (1009) Nuclear Energy Liability Exclusion Endorsement
19. IB.EX.028 (1009) Silica or Silica Related Dust Exclusion
20. IB.EX.030 (1009) Terrorism Exclusion
21. IB.EX.031 (1009) Total Pollution Exclusion Endorsement
22. IB.EX.032 (1009) Emails Fax Phone Calls Or Other Methods Of Sending Material Or Information
23. IB.EX.033 (1009) Operations Covered By A Consolidated (Wrap-Up) Insurance Program
24. IB.EX.034 (1009) Independent Contractors Limitation of Coverage
25. IB.EX.037 (1009) Service of Suit
26. IB.EX.041 (1009) Waiver of Transfer of Rights of Recovery Against Others To Us
27. IB.EX.060A (0909) Completed Operations (Residential)

9. Producer & Mailing Address

Chartwell Independent Insurance Brokers, LLC
523 West 6th Street, Suite 528
Los Angeles, CA 90014

License Number: 196395

10. Surplus Lines Broker & Mailing Address:

Assurance Ltd
5740 South Arville
Las Vegas, NV 89118

License Number: 02942

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Authorized Representative | **April 13, 2010** **Date**

ISIC 3552

Policy Number: 000115801

COMMERCIAL GENERAL LIABILITY CLASSIFICATION AND PREMIUM SCHEDULE

LOCATION NUMBER	CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE		ADVANCE PREMIUM	
				Prem/ Ops	Prod/Comp Ops	Prem/ Ops	Prod/Comp Ops
	Carpentry – Interior	91341	$1,800,000	REDACTED			

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

IB.EX.002 (12/07Ed)

Page 3 of 3

ISIC 3553

IRONSHORE
your safe harbour

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

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Policy Number: 000115801

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.
Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.
The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.
Other words and phrases that appear in quotation marks have special meaning. Refer to Section V –Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. **Insuring Agreement**
   a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
      (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
      (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

   b. **This insurance applies to "bodily injury" and "property damage" only if:**
      (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
      (2) The "bodily injury" or "property damage" occurs during the policy period; and
      (3) Prior to the policy period, no insured listed under Paragraph **1.** of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
   c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **1.** of Section **II** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

ISIC 3554

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **II** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
   (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
   (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
   (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. **Exclusions**

This insurance does not apply to:

a. **Expected Or Intended Injury**
"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. **Contractual Liability**
"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
   (1) That the insured would have in the absence of the contract or agreement; or
   (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
      (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
      (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. **Liquor Liability**
"Bodily injury" or "property damage" for which any insured may be held liable by reason of:
   (1) Causing or contributing to the intoxication of any person;
   (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
   (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

d. **Workers' Compensation And Similar Laws**
Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. **Employer's Liability**
"Bodily injury" to:
   (1) An "employee" of the insured arising out of and in the course of:
      (a) Employment by the insured; or
      (b) Performing duties related to the conduct of the insured's business; or
   (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

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

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. **Pollution**
   (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
      (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
         (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

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

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

g. Aircraft, Auto Or Watercraft

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

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) the operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

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

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

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

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

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

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

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

k. **Damage To Your Product**
"Property damage" to "your product" arising out of it or any part of it.

l. **Damage To Your Work**
"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".
This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. **Damage To Impaired Property Or Property Not Physically Injured**
"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

n. **Recall Of Products, Work Or Impaired Property**
Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

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

o. **Personal And Advertising Injury**
"Bodily injury" arising out of "personal and advertising injury".

p. **Electronic Data**
Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.
As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. **Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. **Exclusions**

This insurance does not apply to:

a. **Knowing Violation Of Rights Of Another**
"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. **Material Published With Knowledge Of Falsity**
"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. **Material Published Prior To Policy Period**
"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. **Criminal Acts**
"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. **Contractual Liability**
"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. **Breach Of Contract**
"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. **Quality Or Performance Of Goods – Failure To Conform To Statements**
"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. **Wrong Description Of Prices**
"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. **Infringement Of Copyright, Patent, Trademark Or Trade Secret**
"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. **Insureds In Media And Internet Type Businesses**
"Personal and advertising injury" committed by an insured whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web-sites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions Section. For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. **Electronic Chatrooms Or Bulletin Boards**
"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. **Unauthorized Use Of Another's Name Or Product**
"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. **Pollution**
"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. **Pollution-Related**
Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. **War**
"Personal and advertising injury", however caused, arising, directly or indirectly, out of:
(1) War, including undeclared or civil war;
(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

COVERAGE C MEDICAL PAYMENTS

1. **Insuring Agreement**
   a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
      (1) On premises you own or rent;
      (2) On ways next to premises you own or rent; or
      (3) Because of your operations;
      provided that:
      (1) The accident takes place in the "coverage territory" and during the policy period;
      (2) The expenses are incurred and reported to us within one year of the date of the accident; and
      (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
   b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
      (1) First aid administered at the time of an accident;
      (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
      (3) Necessary ambulance, hospital, professional nursing and funeral services.
2. **Exclusions**
   We will not pay expenses for "bodily injury":
   a. **Any Insured**
      To any insured, except "volunteer workers".
   b. **Hired Person**
      To a person hired to do work for or on behalf of any insured or a tenant of any insured.
   c. **Injury On Normally Occupied Premises**
      To a person injured on that part of premises you own or rent that the person normally occupies.
   d. **Workers Compensation And Similar Laws**
      To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
   e. **Athletics Activities**
      To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.
   f. **Products-Completed Operations Hazard**
      Included within the "products-completed operations hazard".
   g. **Coverage A Exclusions**
      Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
   a. All expenses we incur.
   b. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
   c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
   d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.
   e. All costs taxed against the insured in the "suit".
   f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
   g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
   These payments will not reduce the limits of insurance.
2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
   a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
   b. This insurance applies to such liability assumed by the insured;
   c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
f. The indemnitee:
(1) Agrees in writing to:
(a) Cooperate with us in the investigation, settlement or defense of the "suit";
(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
(c) Notify any other insurer whose coverage is available to the indemnitee; and
(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
(2) Provides us with written authorization to:
(a) Obtain records and other information related to the "suit"; and
(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:
a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
b. The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
(1) "Bodily injury" or "personal and advertising injury":
(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or
(d) Arising out of his or her providing or failing to provide professional health care services.
(2) "Property damage" to property:
(a) Owned, occupied or used by,
(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

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

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

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

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III – LIMITS OF INSURANCE

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

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Medical expenses under Coverage C;

b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

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

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage A; and

b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy**

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

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

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

(1) How, when and where the "occurrence" or offense took place;

(2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:
   (1) Immediately record the specifics of the claim or "suit" and the date received; and
   (2) Notify us as soon as practicable.
   You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
c. You and any other involved insured must:
   (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
   (2) Authorize us to obtain records and other information;
   (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
   (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. **Legal Action Against Us**
No person or organization has a right under this Coverage Part:
   a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
   b. To sue us on this Coverage Part unless all of its terms have been fully complied with.
A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. **Other Insurance**
If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:
   a. **Primary Insurance**
   This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.
   b. **Excess Insurance**
   This insurance is excess over:
      (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
         (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
         (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
         (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
         (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.
      (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.
      When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
      When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
      (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
      (2) The total of all deductible and self-insured amounts under all that other insurance.
      We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.
   c. **Method Of Sharing**
   If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

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

5. **Premium Audit**
   a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
   b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
   c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.
6. **Representations**
   By accepting this policy, you agree:
   a. The statements in the Declarations are accurate and complete;
   b. Those statements are based upon representations you made to us; and
   c. We have issued this policy in reliance upon your representations.
7. **Separation Of Insureds**
   Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:
   a. As if each Named Insured were the only Named Insured; and
   b. Separately to each insured against whom claim is made or "suit" is brought.
8. **Transfer Of Rights Of Recovery Against Others To Us**
   If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.
9. **When We Do Not Renew**
   If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.
   If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters.
   For the purposes of this definition:
   a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
   b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
   a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
   b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.
   However, "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
   a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
   b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
   c. All other parts of the world if the injury or damage arises out of:
      (1) Goods or products made or sold by you in the territory described in a. above;
      (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
      (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication
   provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
   a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
   b. You have failed to fulfill the terms of a contract or agreement;

   if such property can be restored to use by:
   a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
   b. Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
   a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
   b. A sidetrack agreement;
   c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
   d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
   e. An elevator maintenance agreement;
   f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

      Paragraph **f.** does not include that part of any contract or agreement:
      (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
      (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
         (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
         (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
      (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
   a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
   b. While it is in or on an aircraft, watercraft or "auto"; or
   c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

   but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
   a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
   b. Vehicles maintained for use solely on or next to premises you own or rent;
   c. Vehicles that travel on crawler treads;
   d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
      (1) Power cranes, shovels, loaders, diggers or drills; or
      (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
   e. Vehicles not described in **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
      (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
      (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.
However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
(1) Equipment designed primarily for:
(a) Snow removal;
(b) Road maintenance, but not construction or resurfacing; or
(c) Street cleaning;
(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
a. False arrest, detention or imprisonment;
b. Malicious prosecution;
c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
f. The use of another's advertising idea in your "advertisement"; or
g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":
a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
(1) Products that are still in your physical possession; or
(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
(a) When all of the work called for in your contract has been completed.
(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
b. Does not include "bodily injury" or "property damage" arising out of:
(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

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

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

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
    a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
21. "Your product":
    a. Means:
        (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
            (a) You;
            (b) Others trading under your name; or
            (c) A person or organization whose business or assets you have acquired; and
        (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
    b. Includes
        (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
        (2) The providing of or failure to provide warnings or instructions.
    c. Does not include vending machines or other property rented to or located for the use of others but not sold.
22. "Your work":
    a. Means:
        (1) Work or operations performed by you or on your behalf; and
        (2) Materials, parts or equipment furnished in connection with such work or operations.
    b. Includes
        (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
        (2) The providing of or failure to provide warnings or instructions.

Ironshore Specialty Insurance Company by:

Secretary

President

IRONSHORE
your safe harbour

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

Endorsement # 1

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A) Cancellation
   1) The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
   2) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
      a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
      b) 30 days before the effective date of cancellation if we cancel for any other reason.
   3) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
   4) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
   5) If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
   6) If notice is mailed, proof of mailing will be sufficient proof of notice.

B) Changes

C) This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

D) Examination Of Your Books And Records

E) We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

F) Inspections And Surveys
   1) We have the right to:
      a) Make inspections and surveys at any time;
      b) Give you reports on the conditions we find; and
      c) Recommend changes.
   2) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
      a) Are safe or healthful; or
      b) Comply with laws, regulations, codes or standards.
   3) Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
   4) Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to

certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

G) Premiums

H) The first Named Insured shown in the Declarations:

1) Is responsible for the payment of all premiums; and

2) Will be the payee for any return premiums we pay.

I) Transfer Of Your Rights And Duties Under This Policy

J) Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

K) If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3569

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

Endorsement # 2

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph 9. of the Definitions Section is replaced by the following:

9 "Insured contract" means:

a) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b) A sidetrack agreement;

c) Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d) An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e) An elevator maintenance agreement;

f) That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

1 That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

2 That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

3 Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

ISIC 3570

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3571

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

Endorsement # 3

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph 5. of SECTION IV – CONDITIONS is replaced by the following:

5 Premium Audit
   a) We will compute all premiums for this Policy in accordance with our rules and rates.
   b) Premium shown in this Policy is the advance premium for the policy term. If the final audit develops a premium less than the advance premium, a minimum premium of will be retained by us. If the final audit develops a premium greater than the advance premium, additional premium shall be due and payable to us on notice to the first Named Insured.
   c) The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.
   d) In the event you cancel this Policy, a minimum premium of or the applicable pro-rata/short rate earned premium, whichever is greater, will be retained by us.
6 Your failure to pay premium when due shall be considered a request by the first Named Insured or their appointed authority for us to cancel. In the event of such cancellation for non-payment of premium the minimum premium shall be due and payable.
7 We have the right, but are not obligated, to rescind our cancellation notice if the premium is received prior to the effective date of cancellation.

REDACTED

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3572

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

Endorsement # 4

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:
   1. Your acts or omissions; or
   2. The acts or omissions of those acting on your behalf;

   in the performance of your ongoing operations for the additional insured.

   A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

   It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:
   This insurance does not apply to:
   1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
      a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
      b. Supervisory, inspection, architectural or engineering activities.
   2. "Bodily injury" or "property damage" occurring after:
      a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
      b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project; or
      c. "Property Damage" which manifests after expiration of the Policy.

ISIC 3573

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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One State Street Plaza
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Toll Free: (877) IRON411

Endorsement # 5

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BASIS OF PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended to include the following definitions of basis of premium used for computing premiums for this coverage:

Gross Sales or Receipts is defined as the gross amount charged by the named insured, concessionaires of the named insured, or by others trading under the insured's name for:

a. All goods or products, sold or distributed;
b. Operations performed during the policy period;
c. Rentals; and
d. Dues or fees.

Only the following items shall be deducted from Gross Sales or Receipts:

1. Sales or excise taxes which are collected and remitted directly to a governmental division;
2. Credits for repossessed merchandise and products returned.

Payroll or Remuneration is defined as the sum of salaries, wages, tips, piece of work, commission, bonuses, board and meals for work performed and excluding excess in accordance with the state payroll limitation rules.

Overtime is defined as hours worked at increased rates of pay in excess of hours normally worked in a given day or week. If there is a guaranteed wage plan which assures employees a given wage for working a specific number of hours per week, then the overtime means only the hours worked in excess of that specific amount. If there are records available showing the wages paid for overtime separately, which exceed the amount that would have been paid for the same work during normal hours, then all such excess wages are excluded. If these records show only the total of wages paid, including overtime on a time and one-half basis, then one-third of those wages should be excluded. If double time is paid for overtime and the total pay for such overtime is recorded separately, one-half of the total pay for double time shall be excluded.

Excluded from payroll is remuneration paid to clerical office employees, including those whose duties are strictly limited to keeping the insured's books or records, conducting correspondence, or engaged in clerical work in these areas. Anyone

ISIC 3575

who does not work in the area separated physically by walled floors, or partitions from all other work areas of the insured is not considered. An exception to this is if the payroll or clerical office employees are specifically included in the classification wording or footnote of the ISO general liability classification.

Total Cost or **Cost** is defined as the total cost of all work, let or sublet in connections with each specific project including:

a. The cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work; and
b. All fees, bonuses or commissions made, paid or due.

Units is defined as the number of persons or items described.

Rental Receipts is defined as the gross amount charged by the named insured, concessionaires of the named insured, or by others trading under the insured's name for rental of equipment.

Admissions is defined as the total number of persons, other than employees of the named insured, admitted to an event or events conducted on the premises, whether on paid admission, tickets, complimentary tickets, or passes.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3576

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

Endorsement # 6

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIMS NOTIFICATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Send all claim notifications and information to:

MIDLANDS CLAIM
PO Box 23198
Oklahoma City, OK 73123
Phone: 1-800-498-9758
Fax: 405-840-0584
Website: www.midlandsclaim.com

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3577

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

Endorsement # 7

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Projects: As required by written contract. We will not pay more than $5,000,000 for A.I., for all Projects involved, regardless the number of the Projects.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under COVERAGE A (SECTION I), and for all medical expenses caused by accidents under COVERAGE C (SECTION I), which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
   1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
   2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under COVERAGE A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under COVERAGE C regardless of the number of:
      a. Insureds;
      b. Claims made or "suits" brought; or
      c. Persons or organizations making claims or bringing "suits".
   3. Any payments made under COVERAGE A for damages or under COVERAGE C for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
   4. The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

ISIC 3578

EXHIBIT 123
(Part 2)

Ironshore policy no. 000115801 (with the premium amount redacted), issued to PR Construction Corporation, for the policy period of January 31, 2010, to January 31, 2011 (ISIC 3551-3606)

Part 2 (ISIC 3579-3606)

B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under COVERAGE A (SECTION I), and for all medical expenses caused by accidents under COVERAGE C (SECTION I), which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
   1. Any payments made under COVERAGE A for damages or under COVERAGE C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
   2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.

C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.

D. If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.

E. The provisions of Limits of Insurance (SECTION III) not otherwise modified by this endorsement shall continue to apply as stipulated.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3579

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

Endorsement # 8

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Amount and Basis of Deductible	
Bodily Injury Liability	$N/A	per claim
	$N/A	per occurrence
Property Damage Liability	$N/A	per claim
	$N/A	per occurrence
Bodily Injury Liability and/or	$ N/A	per claim
Property Damage Liability Combined	$ 10,000	per occurrence
Personal Injury Liability	$ 10,000	per injury
Advertising Injury Liability	$ 10,000	per injury

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury", "personal injury", "advertising injury", or "property damage", however caused):

1. Our obligation under the Bodily Injury Liability, Personal Injury Liability, Advertising Injury Liability, and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages, and the limits of insurance applicable to such coverages will be reduced by the amount of such deductible. "Aggregate" limits for such coverage shall not be reduced by the application of such deductible amount.
2. The deductible amounts stated in the Schedule apply as follows:
   a. PER CLAIM BASIS - if the deductible is on a "per claim" basis, the deductible amount applies:
      (1) Under Bodily Injury Liability or Property Damage Liability Coverage respectively;

ISIC 3580

a. to all damages because of "bodily injury" sustained by one person, or
b. to all damages because of "property damage" sustained by one person or organization,

as a result of any one "occurrence."

(2) Under Bodily Injury Liability and Property Damage Liability Coverage Combined to all damages because of "bodily injury" and "property damage" sustained by one person or organization as the result of any one "occurrence."

b. PER OCCURRENCE BASIS - if the deductible is on a "per occurrence" basis the deductible amount applies:

(1) Under Bodily Injury Liability or Property Damage Liability Coverage, respectively:
a. to all damages because of "bodily injury" as the result of any one "occurrence," or
b. to all damages because of "property damage" as the result of any one "occurrence,"

regardless of the number of persons or organizations who sustain damages because of that "occurrence".

(2) Under Bodily Injury Liability and Property Damage Liability Coverage Combined to all damages because of "bodily injury" and "property damage" as the result of any one "occurrence regardless of the number of persons or organizations who sustain damages because of that "occurrence."

c. PER INJURY BASIS - if the deductible is on a "per injury" basis the deductible amount applies:

(1) Under the Personal Injury Liability Coverage to all damages because of "personal injury" sustained by one person or organization as a result of any one injury.
(2) Under the Advertising Injury Liability Coverage to all damages because of "advertising injury" sustained by one person or organization as a result of any one injury.

3. The deductible amount stated shall also apply towards the investigation, adjustment and legal expenses incurred in the handling and investigation of each claim, whether or not payment is made to any claimant, comprise settlement is reached, or the claim is denied.
4. The terms of this insurance, including those with respect to:
(a) Our right and duty to defend any "suits" seeking those damages; and
(b) Your duties in the event of an "occurrence," claim, or suit

apply irrespective of the application of the deductible amount.

5. We may pay any part or all of the deductible amount towards investigation, adjustment and legal expense, or to effect settlement of any claim or suit and, upon notification of such payment, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 9

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
BUSINESSOWNERS LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below: (The following needs to be completed only when this endorsement is issued subsequent to inception of the policy.)

Named Insured PR Construction Corporation	
Endorsement Effective January 31, 2010	Policy Number 000115801

This insurance does not apply to:

A) "Bodily injury", "property damage" or "personal and advertising injury", in whole or in part, either directly or indirectly arising out of, based upon or attributable to any of the following:

1. Asbestos or any asbestos related injury or damage; or

2. any alleged act, error, omission or duty involving asbestos, its use, exposure, presence, ingestion, inhalation, absorption, existence, detention, removal, elimination or avoidance; or

3. the use, exposure, presence, ingestion, inhalation, absorption, existence, detention, removal, elimination or avoidance of asbestos in any environment, building or structure; and

ISIC 3582

B) The investigation, settlement or defense of any claim, "suit" or proceeding against the Insured alleging any actual or threatened injury or damage which arises out of or would not have occurred but for asbestos "bodily injury", "property damage" or "personal and advertising injury", as described above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 10

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury" or "property damage":

1. which first existed, or is alleged to have first existed, prior to the inception of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period); or

2. which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or

3. which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 11

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CONTRACTORS – PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph **2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

1. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:
   a. Providing engineering, architectural or surveying services to others in your capacity as an engineer, architect or surveyor; and
   b. Providing, or hiring independent professionals to provide, engineering, architectural or surveying services in connection with construction work you perform.
2. Subject to Paragraph 3. below, professional services include:
   a. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, re-ports, surveys, field orders, change orders, or drawings and specifications; and
   b. Supervisory or inspection activities performed as part of any related architectural or engineering activities.
3. Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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April 13, 2010
Date

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Endorsement # 12

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability**:
This insurance does not apply to:
"Bodily injury" to:
(1) A person arising out of any:
(a) Refusal to employ that person;
(b) Termination of that person's employment; or
(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)**, or **(c)** above is directed.
This exclusion applies:
(1) Whether the insured may be liable as an employer or in any other capacity; and
(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph **2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:
This insurance does not apply to:
"Personal and advertising injury" to:
(1) A person arising out of any:
(a) Refusal to employ that person;
(b) Termination of that person's employment; or
(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.
This exclusion applies:
(1) Whether the insured may be liable as an employer or in any other capacity; and
(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 13

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – EXTERIOR INSULATION AND FINISH SYSTEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
   1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
   2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system", or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.

B. The following definition is added to the Definitions Section:

C. "Exterior insulation and finish system" means a non-load bearing exterior cladding or finish sys-tem, and all component parts therein, used on any part of any structure, and consisting of:
   1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
   2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
   3. A reinforced or unreinforced base coat;
   4. A finish coat providing surface texture to which color may be added; and
   5. Any flashing, caulking or sealant used with the system for any purpose.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 14

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INFLUENZA OR EPIDEMIC EXCLUSION

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below: (The following needs to be completed only when this endorsement is issued subsequent to inception of the policy.)

Named Insured PR Construction Corporation	
Endorsement Effective January 31, 2010	**Policy Number** 000115801

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury", loss or damage, or cost or expense arising out of, caused by or resulting from, directly or indirectly:

A The:
1. infection or feared or suspected infection with;
2. diagnosis of or treatment for, or failure to diagnose or treat;
3. quarantine for or attempted containment of, or failure to quarantine or contain;
4. presence or detection of, or failure to detect;
5. prevention of or vaccination against, or failure to prevent or vaccinate;
6. restrictions on travel due to, or failure to restrict travel due to; or
7. declaration of an epidemic or pandemic due to, or failure to declare an epidemic or pandemic due to;

any type of influenza virus, including but not limited to types A, B or C virus, any subtype or strain of the influenza A, B or C virus (including but not limited to the H5 and H7 subtypes), any similar or related influenza or virus, or any derivation from, reassortment, or mutation (occurring either naturally or through human intervention) of the influenza A, B or C virus, including but not limited to a human influenza virus.

B Any epidemic, pandemic, pandemic alert or outbreak (or other term of similar meaning) that is declared, announced or otherwise notified by the U.S. Center for Disease Control and Prevention (as such is reported in the Morbidity and Mortality Weekly Report), World Health Organization, or any national, state or local public health organization (or organization acting in a similar capacity).

Exclusion of the epidemic or pandemic infectious disease shall begin as of the date of such announcement or notification and shall continue until the termination date of such epidemic or pandemic; provided, however, that this exclusion shall

ISIC 3588

continue to apply to any individual case of epidemic or pandemic infectious disease contracted during the exclusionary period that continues beyond the termination date.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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April 13, 2010
Date

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Endorsement # 15

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD CONTAMINATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
BUSINESSOWNERS LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below: (The following needs to be completed only when this endorsement is issued subsequent to inception of the policy.)

Named Insured PR Construction Corporation	
Endorsement Effective January 31, 2010	Policy Number 000115801

This insurance does not apply to:

A "Bodily injury", "property damage" or "personal and advertising injury" in whole or in part, either directly or indirectly, arising out of, based upon or attributable to any of the following:
1. The use, installation, storage, withdrawal, removal, encapsulation, destruction, containment, testing, distribution, ownership, presence, ingestion, inhalation, absorption, sale or disposal of lead, lead dust, lead fibers or material containing lead;
2. Exposure to lead, lead dust, lead fibers or material containing lead; or
3. Any error or omission in supervision, instructions, recommendations, notices, warnings or advice given, or which should have been given, in connection with lead, lead dust, lead fibers or material containing lead.

ISIC 3590

B The investigation, settlement or defense of any claim, "suit" or proceeding against the insured alleging any actual or threatened injury or damage which arises out of or would not have occurred but for lead "bodily injury", "property damage" or "personal and advertising injury", as described above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 16

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description And Location Of Premises Or Classification:
Any and All Locations.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any premises or classification shown in the Schedule:

1. Section I – Coverage C – Medical Payments does not apply and none of the references to it in the Coverage Part apply: and
2. The following is added to Section I – Supplementary Payments:
   h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 17

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOLD, FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Notwithstanding anything to the contrary contained in the policy or any endorsement attached thereto, this insurance does not apply to and shall not respond to any claim, demand or "suit" alleging:

1 "Bodily Injury," "Property Damage" or "Personal and Advertising Injury" arising out of, in whole or in part, the actual, alleged or threatened discharge, inhalation, ingestion, dispersal, seepage, migration, release, escape or existence of any mold, mildew, bacteria or fungus, or any materials containing them, at any time.

2 Any loss, cost or expense arising out of any:
   a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of any mold, mildew, bacteria or fungus, or any materials containing them; or

   b. Claim, demand or "suit" by or on behalf of a governmental authority or any other person or organization for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of any mold, mildew, bacteria or fungus, or any materials containing them.

3 An obligation to contribute to, share damages with, repay or indemnify someone else who must pay damages, loss, cost or expense because of "Bodily Injury," "Property Damage" or "Personal and Advertising Injury" as set forth in 1., 2.a., or 2.b. above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 18

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1 The insurance does not apply:
   A. Under any Liability Coverage, to "bodily injury" or "property damage":
      (a) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
      (b) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
   B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
   C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
      (a) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
      (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 "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2 As used in this endorsement:

ISIC 3594

"Hazardous properties" includes radioactive, toxic or explosive properties.
"Nuclear material" means "source material", "Special nuclear material" or "by-product material".
"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
"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 (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".
"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.
"Property damage" includes all forms of radioactive contamination of property.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 19

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:
   2. Exclusions
   This insurance does not apply to:
   Silica Or Silica-Related Dust
   a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
   b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
   c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:
   2. Exclusions
   This insurance does not apply to:
   Silica Or Silica-Related Dust
   a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
   b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
C. The following definitions are added to the Definitions Section:
   1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
   2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 20

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

We will not pay for loss or damage caused directly or indirectly by "Terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Where used in this endorsement, "Terrorism" means activities directed against any person, organization or property which activities involve any of the following, or any preparation for, or acts in furtherance of, any of the following (referred to in this endorsement as "Activities"):

A. The use or threat of force or violence; or
B. The commission or threat of any dangerous act; or
C. The commission or threat of any act that interferes with or disrupts any electronic, communication, information, or mechanical system;

and one or both of the following is applicable to A., B., or C. above:

1. The effect or intended effect of the activities described in A., B., or C. above is to intimidate or coerce any government or governmental agency, or the civilian population or any segment thereof, or to disrupt any segment of the economy.
2. The effect or intended effect of the activities described in A., B., or C. above is to further any political, ideological, religious, social or economic objectives or to express (or express opposition to) any philosophy or ideology.

"Terrorism" specifically includes, but is not limited to any Activities that:

A. Involve the use, release or escape of any nuclear materials, or that directly or indirectly result in nuclear reaction or radiation or radioactive contamination of any kind; or

B. Are carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

C. Involve the intentional or deliberate release of any pathogenic or poisonous, biological, or chemical materials.

ISIC 3597

"Terrorism" also specifically includes any "Certified Act of Terrorism." The term "Certified Act of Terrorism" means any act that is certified by the United States Secretary of the Treasury, in concurrence with the United

States Secretary of State, and the Attorney General of the United States, in accordance with the United States Terrorism Risk Insurance Act of 2002 (the "Act"):

A. to be an act of terrorism;
B. to be a violent act or an act that is dangerous to:
   1. human life; property; or
   2. infrastructure;
C. to have resulted in damage within the United States, or outside of the United States in the case of:
   1. an air carrier or vessel described in paragraph (5)(B) of the Act;
   2. or the premises of a United States mission; and
D. to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

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Endorsement # 21

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:
This insurance does not apply to:

f. Pollution
   1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

   2) Any loss, cost or expense arising out of any:
      a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
      b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3599

IRONSHORE
your safe harbour

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

Endorsement # 22

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF STATUTES THAT GOVERN E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF SENDING MATERIAL OR INFORMATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:
   2. Exclusions
      This insurance does not apply to:
      DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES
      "Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:
      a) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
      b) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
      c) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:
   2. Exclusions
      This insurance does not apply to:
      DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES
      "Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:
      a) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
      b) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
      c) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3600

IRONSHORE
your safe harbour

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

Endorsement # 23

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3601

IRONSHORE
your safe harbour

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

Endorsement # 24

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDEPENDENT CONTRACTORS LIMITATION OF COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any claim, demand or "suit" arising out of operations performed for you by independent contractors unless:

(1) Such independent contractors have in force, at the time of the subject "occurrence," commercial general liability insurance listing you as an additional insured; and

(2) The limits of liability of such insurance are equal to or greater than those shown in the schedule below; and

(3) The insurance described in (1) and (2) above is primary and non-contributory with respect to such "occurrence."

GENERAL AGGREGATE LIMIT (Other than Products-Completed Operations)	$2,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	$2,000,000
PERSONAL INJURY LIMIT AND ADVERTISING INJURY LIMIT	$1,000,000
EACH OCCURRENCE LIMIT	$1,000,000

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3602

IRONSHORE
your safe harbour

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

Endorsement # 25

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

All Coverage Parts included in this policy are subject to the following conditions.

SERVICE OF SUIT

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Named Insured, will submit to the jurisdiction of any Court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such Court jurisdiction, and all matters arising hereunder shall be determined in accordance with the law and practice of such court. It is further agreed that service of process in such suit may be made upon:

CT Corporation System
1-800-624-0909

or his nominee, and that in any suit instituted against them upon this contract, the Company will abide by the final decision of such Court of any Appellate Court in the event of an appeal.

The above named individual is authorized and directed to accept service of process on behalf of the Company in any such suit and/or upon the request of the Named Insured to give written undertaking of the Named Insured that it or they will enter a general appearance upon the Company's behalf in the event of a suit shall be instituted.

Further, pursuant to any statute of any State, Territory, or District of the United States of America, which makes provision therefore, the Company hereby designates 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 service any lawful process in any action, suit or proceeding instituted by or on behalf of the Named Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3603

IRONSHORE
your safe harbour

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

Endorsement # 26

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: "As required by written contract"

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)
The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:
We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3604

IRONSHORE
your safe harbour

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

Endorsement # 27

Policy Number: 000115801 **Effective Date Of Endorsement:** January 31, 2010

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Additional Insured – Owners, Lessees or Contractors – Completed Operations

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Name of Additional Insured Person(s) Or Organization(s):	Location and Description of Completed Operations:
We shall name person(s) or organization(s) as additional insureds to this insurance as required under a written contract with the Named Insured entered into before the claim or loss. **No coverage, indemnity and/or defense shall be provided under this endorsement for any person(s) or organization(s) claiming to be additional insured(s) for claims or losses which do not arise from the Named Insured's work under a written contract. The Named Insured's mere presence at a worksite shall not be deemed sufficient to require coverage, indemnity and/or defense to any person(s) or organization(s) claiming to be an additional insured under this endorsement.** **There shall be no coverage, indemnity, defense, and/or duty to defend any person(s) or organization(s) claiming to be an additional insured under this endorsement if the claim or loss does not arise, in whole or in part, from the negligence and/or fault of the Named Insured.**	

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

ISIC 3605

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and including in the "products-completed operations hazard."

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

April 13, 2010
Date

ISIC 3606

EXHIBIT 124
(Part 1)

Plaintiffs' Third Amended Complaint filed May 14, 2012, in Clark County District Court, Nevada, in the action captioned *Boyer, et al., v. PN II, Inc.,* Case No. A603841 ("*Boyer* action") (ISIC 3456-3477)

Part 1 (ISIC 3456-3474, ¶¶ 1-48)

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CLERK OF THE COURT

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Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

RONALD BOYER, as owner/manager of **ROYAL VELVET, LLC and ROYAL VELVET 8, LLC; JEFFREY and TERESA BUTTON,** husband and wife; **ALFRED and GLORIA PITTS,** husband and wife; **EONA NOVAK; LUIS and JEANETTE VELASQUEZ,** husband and wife; **M&R SPECIALIST SVC, LLC; DANIEL and SHARON RUFF,** husband and wife; **LISA TEJEDA; DANIEL DOUGHERTY; NENA GARMA; THOMAS and AMY CABRERA,** husband and wife; **MARK and YU JUAN WIEGAND,** husband and wife; **CAYL LYKINS; RICHARD WILLIS; LEE ANN BURTON; TIMOTHY FOX; RICHARD TOWNSEND; KINDLER WILLIAMS; JUDITH TABAT; CHARLES and ANNE COOK,** husband and wife; **JASON and MANDY PHELPS,** husband and wife; **EMILY LANDERS; GREG and ANITA HOLLAND,** husband and wife; **DENNIS and LORRAINE HAGEN,** husband and wife; **PATRICIA NASHICK; NICHOLAS KOVALEVSKY; CHRIS GEIGER; VINCENT AND GINA HUDDLE,** husband and wife; **JEFFREY AND JONI MILLER,** husband and wife; **ANTOINETTE SCOTA; DEAN**

CASE NO. A603841
DEPT. XXII

ARBITRATION EXEMPTIONS CLAIMED
Declaratory Relief

PLAINTIFFS' THIRD AMENDED COMPLAINT

1. Breach of Implied Warranties
2. Strict Liability
3. Negligence
4. Declaratory Relief

AND MARY LUDWIG, husband and wife; **REBECCA DEHNER; RALPH AND TRACY WILLIAMS,** husband and wife; **PETER AND SHARON BROOKS,** husband and wife; **RICHARD LINDSEY; AZRIE AND VICTORIA CONN,** husband and wife; **CHARLENE PU; STEVE AND LUISA RASMUSSEN,** husband and wife; **PAUL AND LAURA BERTUCCINO,** husband and wife; **MARTIN WOODS; TODD FRENCH; SUSAN MORRIS; SAMANTHA WATERS; MICHELLE JOHNSON; ROY AND MARY NEILL,** husband and wife; **CHRISTINE BOHM; DENNIS AND CHERYL CAVANAUGH,** husband and wife; **JOHN AND LYNN EASTON,** husband and wife; **RENE AND LYNDA VANTIEGHAM,** husband and wife; **ERNEST McGRIFF; MARJORIE CERECK; JOHN McAULEY; ROBERT AND ERNESTINE SHUMAKER,** husband and wife; **CLIFFORD REEDER; CHARLES AND DAWN KROEGEL,** husband and wife; **ERIC AND STACY RICCARDI,** husband and wife; **MICHAEL AND ESTELA GREENE,** husband and wife; **CARLOS MIGUEL; CHRISTINE TARALLO; JUAN GONZALES; RAYMOND AND PAMELA VIGIL,** husband and wife; **JAMES AND BARBARA STOCKWELL,** husband and wife; **DANIEL AND LYNNAE SOWERS,** husband and wife; and **BRIAN OLSHEVSKI,**

Plaintiffs,

v.

PN II, INC., a Nevada Corporation; **DOES 1 through 100**

Defendants.

COMES NOW, Plaintiffs, **RONALD BOYER**, as owner/manager of **ROYAL VELVET, LLC** and **ROYAL VELVET 8 LLC, JEFFERY AND TERESA BUTTON,** husband and wife, and **ALFRED and GLORIA PITTS,** husband and wife, **EONA NOVAK; LUIS AND JEANETTE VELASQUEZ,** husband and wife; **M&R SPECIALIST SVC, LLC; DANIEL AND SHARON RUFF**, husband and wife; **LISA TEJEDA; DANIEL**

DOUGHERTY; NENA GARMA; THOMAS and AMY CABRERA, husband and wife; **MARK and YU JUAN WIEGAND**, husband and wife; **CAYL LYKINS; RICHARD WILLIS; LEE ANN BURTON; TIMOTHY FOX; RICHARD TOWNSEND; KINDLER WILLIAMS; JUDITH TABAT; CHARLES and ANNE COOK**, husband and wife; **JASON and MANDY PHELPS**, husband and wife; **EMILY LANDERS; GREG and ANITA HOLLAND**, husband and wife; **DENNIS and LORRAINE HAGEN**, husband and wife, **PATRICIA NASHICK; NICHOLAS KOVALEVSKY; CHRIS GEIGER; VINCENT AND GINA HUDDLE,** husband and wife; **JEFFREY AND JONI MILLER,** husband and wife; **ANTOINETTE SCOTA; DEAN AND MARY LUDWIG,** husband and wife; **REBECCA DEHNER; RALPH AND TRACY WILLIAMS,** husband and wife; **PETER AND SHARON BROOKS,** husband and wife; **RICHARD LINDSEY; AZRIE AND VICTORIA CONN**, husband and wife; **CHARLENE PU; STEVE AND LUISA RASMUSSEN,** husband and wife; **PAUL AND LAURA BERTUCCINO,** husband and wife; **MARTIN WOODS; TODD FRENCH; SUSAN MORRIS; SAMANTHA WATERS; MICHELLE JOHNSON; ROY AND MARY NEILL,** husband and wife; **CHRISTINE BOHM; DENNIS AND CHERYL CAVANAUGH,** husband and wife; **JOHN AND LYNN EASTON,** husband and wife; **RENE AND LYNDA VANTIEGHAM,** husband and wife; **ERNEST McGRIFF; MARJORIE CERECK; JOHN McAULEY; ROBERT AND ERNESTINE SHUMAKER,** husband and wife; **CLIFFORD REEDER; CHARLES AND DAWN KROEGEL,** husband and wife; **ERIC AND STACY RICCARDI,** husband and wife; **MICHAEL AND ESTELA GREENE,** husband and wife; **CARLOS MIGUEL; CHRISTINE TARALLO; JUAN GONZALES; RAYMOND AND PAMELA VIGIL,** husband and wife; **JAMES AND BARBARA STOCKWELL,** husband and wife; **DANIEL AND LYNNAE SOWERS,** husband and wife; and **BRIAN OLSHEVSKI,** inclusive, (**collectively hereinafter referred to as "Plaintiffs"**) by and through their

attorneys, David T. Pursiano, Esq., Laurel L. Barry, Esq., and James V. Lavelle III, Esq. of PURSIANO BARRY LAVELLE BRUCE HASSIN, LLP and Jonathan G. Lattie, Esq. and Teresa A. Libertino, Esq. of LATTIE MALANGA LIBERTINO, LLP, complains of and, for their Second Amended Complaint, allege as causes of action against the Defendants and each of them as follows:

I.

GENERAL ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

1. Plaintiffs have completed the NRS Chapter 40 pre-litigation process as previously ordered by the Court, and file this Second Amended Complaint in compliance with the Case Management Order on file herein.

2. Plaintiffs are the owners of the following homes in the City of North Las Vegas, County of Clark, State of Nevada in a development commonly known as Eagle Creek ("Subject Properties").

Ronald Boyer as owner/manager of Royal Velvet LLC and Royal Velvet 8 LLC,	6229 Eagle Crossing Street
Jeffrey and Teresa Button	6257 Eagle Crossing Street
Alfred and Gloria Pitts	5409 Leadville Avenue
Eona Novak	6209 Grizzly Gorge Street
Jeanette and Luis Velasquez	5613 Bridgehampton Avenue
M&R Specialist Svc, LLC	5504 Eagle Cove Avenue
Daniel and Sharon Ruff	5713 Raven Creek Avenue
Lisa Tejeda	5621 Raven Creek Avenue
Daniel Dougherty	5405 Bridgehampton Avenue
Nena Garma	5416 Leadville Avenue
Thomas and Amy Cabrera	5925 Oakton Street
Mark and Yu Juan Wiegand	5405 Wells Cathedral Avenue

Cayl Lykins	5605 Bridgehampton Avenue
Richard Willis	5705 Eagle Claw Avenue
Lee Ann Burton	5917 Trumbull Street
Timothy Fox	6045 Crystal Talon Street
Richard Townsend	6233 Eagle Crossing Street
Kindler Williams	6101 Crystal Talon Street
Judith Tabat	5501 Bridgehampton Avenue
Charles and Anne Cook	5904 Oakton Street
Jason and Mandy Phelps	5633 Eagle Claw Avenue
Emily Landers, and Greg and Anita Holland	5921 Kentlands Street
Dennis and Lorraine Hagen	5700 Raven Creek Avenue
Patricia Nashick	5908 Kentlands Street
Nicholas Kovalesky	5400 Leadville Avenue
Chris Geiger	5917 Mount Auburn Street
Vincent and Gina Huddle	5632 Pepperpike Avenue
Jeffrey and Joni Miller	6024 Crystal Cascade Street
Antoinette Scota	6105 Crystal Talon Street
Dean and Mary Ludwig	5400 Wells Cathedral Avenue
Rebecca Dehner	5924 Oakton Street
Ralph and Tracy Williams	5500 Eagle Cove Avenue
Peter and Sharon Brooks	6224 Grizzly Gorge Street
Richard Lindsey	6220 Grizzly Gorge Street
Azrie and Victoria Conn	5916 Naperville Street
Charlene Pu	5633 Bridgehampton Avenue
Steve and Luisa Rasmussen	5508 Raincreek Avenue

Paul and Laura Bertuccino	5901 Mount Auburn Street
Martin Woods	5401 Bridgehampton Avenue
Todd French	5909 Mount Auburn Street
Susan Morris	5420 Leadville Avenue
Samantha Waters	6225 Timberwolf Court
Michelle Johnson	5908 Mount Auburn Street
Roy and Mary Neill	5509 Raven Creek Avenue
Christine Bohm	6117 Crystal Talon Street
Dennis and Cheryl Cavanaugh	5409 Bridgehampton Avenue
John and Lynn Easton	5609 Bridgehampton Avenue
Rene and Lynda Vantiegham	6261 Eagle Crossing Street
Ernest Mcgriff	6217 Eagle Crossing Street
Marjorie Cereck	5920 Kentlands Street
John Mcauley	5408 Eagle Claw Avenue
Robert and Ernestine Shumaker	5417 Eagle Claw Avenue
Clifford Reeder	5609 Eagle Claw Avenue
Charles and Dawn Kroegel	5437 Eagle Claw Avenue
Eric and Stacy Riccardi	6136 Crystal Cascade Street
Michael and Estela Greene	5704 Eagle Claw Avenue
Carlos Miguel	5501 Raincreek Avenue
Christine Tarallo	5433 Eagle Claw Avenue
Juan Gonzales	6228 Timberwolf Court
Raymond and Pamela Vigil	5617 Eagle Claw Avenue
James and Barbara Stockwell	5913 Cypress Street

Daniel & Lynnae Sowers	5500 Raincreek Avenue
Brian Olshevski	5917 Kentlands Street

3. No longer used.

4. No longer used.

5. No longer used.

6. The Plaintiffs are informed and believe and on that basis allege that the defendant **PN II, INC.** is, and at all relevant times was, a Nevada Corporation authorized to do business and doing business in Clark County, Nevada, and was the declarant, developer, Nevada licensed general contractor, builder, marketer and/or seller of the Subject Properties.

7. Defendants sued herein as DOES 1 through 100, inclusive, are fictitious names of individual Defendants whose true names and capacities, whether individual, corporate, associate or otherwise at this time, are unknown to Plaintiffs. Plaintiffs are informed and believe and thereupon allege that at all times herein mentioned each and all of the Defendants sued herein, including as DOES 1 through 100, inclusive, was acting as the agent, servant, employee, subcontractor and/or alter ego of his or her co-Defendants, and in doing the things hereinafter mentioned was acting in the scope of his or her authority as such agent, servant, employee, subcontractor and/or alter ego and with the permission and consent of his or her Co-Defendants; and that each of said fictitiously named Defendants, whether an agent or otherwise, participated in some manner as a declarant, builder, developer, contractor, subcontractor, material man or supplier of goods or otherwise in the works of building, constructing, preparing, installing and/or selling of the Subject Properties, and are in some way liable or responsible to the Plaintiffs on the facts hereinafter alleged, and caused injuries and damages proximately thereby as

hereinafter alleged. At such time as the Defendants' true names become known to Plaintiffs, Plaintiffs will ask leave of this Court to amend this Complaint to insert said true names and capacities.

8. Plaintiffs are informed and believe and thereupon allege that at all times herein material the Defendants, including DOES, and each of them, were business entities and/or organizations who conducted business in the County of Clark and/or participated in the development, construction, marketing and/or sale of the Subject Properties.

9. Commencing at a date unknown to Plaintiffs, Defendants, including DOES, and each of them, participated in the manner set forth herein as to each, in the design, preparation and/or construction of works of improvement, capitalization and the incorporation of the Subject Properties, all of which are now owned by the Plaintiffs.

10. Plaintiffs are informed and believe and thereupon allege that Defendants, including DOES, and each of them, were and are declarants, builders, engineers, contractors, subcontractors, suppliers, material men, or other persons, entities or professionals who participated in the design, planning, construction, supervision, manufacture, and/or improvement of the Subject Properties, and who performed and furnished works of labor, supplied materials, equipment and/or services necessary for the design, preparation, construction, supervision, manufacture and/or improvement of the Subject Properties, with the knowledge that the Subject Properties would be utilized by Plaintiffs as residential units. In so doing, said Defendants, including DOES, in their capacities as declarants, builders, engineers, contractors, subcontractors, suppliers, material men, or otherwise, caused the Subject Properties to be designed, prepared, constructed, supervised, manufactured and/or improved through their own works of labor,

their supplying of materials, equipment and/or services, and through their causing other contractors and subcontractors, including other Defendants herein, to perform works of labor, to supply materials, equipment and/or services, in order to properly complete the construction of the structures on the Subject Properties, so that the same could and would be sold to and/or used by members of the public.

11. After work at the project was completed, Plaintiffs became informed and believes and thereupon allege that the Subject Properties, in particular, are not of merchantable quality but, in fact, are defective and fail to meet all applicable building codes and industry standards and have caused damage to the Subject Properties. The damages known to the Plaintiffs at this time are ongoing, progressive and continue to worsen.

12. Plaintiffs are informed and believe and thereupon allege that construction defects exist in the Subject Properties. Generally, the nature and scope of construction defects, include but may not be limited to, improperly identified, designed, excavated, placed, prepared, graded and/or compacted soils, improperly designed or constructed footings, slabs, post-tensioned cables, anchor bolts, sill plates, walkways, driveways, pads, foundations, exterior masonry site retaining/fence walls, and landscape. The Subject Properties also have stucco, roofing, framing, drywall, window, door, architectural, structural and other specialty trade defects. Additionally, the Subject Properties may be defective in ways and to the extent not precisely known, but which will be augmented by expert opinions and inserted here and by way of amendment or will be established at the time of trial according to proof. Expert reports and Job Files generated to date were provided during the Chapter 40 pre-litigation proceedings.

13. Within the past year, Plaintiffs became aware of facts which thereafter, upon investigation, resulted in Plaintiffs being informed that portions of the Subject Properties have been inadequately constructed, developed, designed, supervised or otherwise improved so that the above-described defective conditions existed and do now exist and the works of improvement are defective, not of merchantable quality and not fit for the purpose of permitting persons to reside thereabouts in a proper manner and fashion. Moreover, Plaintiffs are informed and believe and thereupon allege these defective conditions were either known or through reasonable diligence and experience with the construction should have been known to Defendants, and DOES 1 through 100, and each of them, at the time of substantial completion of construction such that NRS 11.202 and 11.203 are applicable to the facts and circumstances as alleged herein.

14. Throughout the time period beginning with the completion of construction of the Subject Properties, and continuing to the present, the Defendants, including DOES, and each of them, made repairs and/or representations that repairs would be made to cure the defective conditions at the Subject Properties.

15. Plaintiffs detrimentally relied upon the conduct and representations of the Defendants, and each of them, and failed to file suit within the statutorily prescribed time period. Based upon such conduct and representations in making repairs to the Subject Properties, the statutes of limitations are thus tolled.

16. Pursuant to NRS 40.640, Defendants, and each of them, are liable for damages resulting from construction defects due to its individual acts or omissions or the acts or omissions of its agents, employees and subcontractors. As a result acts and omissions of the Defendants, Plaintiffs have been forced to hire counsel to prosecute this action and to incur attorney's fees and costs.

II.

FIRST CAUSE OF ACTION

(Breach of Implied Warranties Against All Defendants)

17. Plaintiffs incorporate herein by reference Paragraphs 1 through 16 of the General Allegations above as though set forth fully herein.

18. Plaintiffs are informed and believe and thereupon allege that as contractors the Defendants, DOES, and each of them, knew that the Subject Properties would be used by members for the purposes of residential homes, and said Defendants knew, or reasonably should have known, that the persons would do so without inspection for the defects set forth herein.

19. Plaintiffs are informed and believe and thereupon allege that Defendants, DOES, and each of them, at all times herein mentioned, were and are merchants with respect to the works of improvement at residential units and the common area thereof and said Defendants impliedly warranted that these works of improvement were of merchantable quality, were constructed in a reasonably workmanlike manner and fit for the purpose as residential dwelling units. In addition to these common law implied warranties, Defendants, and each of them, impliedly warranted in accordance with NRS 116.4114 that the residential units and common areas of Plaintiffs were free from defective materials; constructed in accordance with applicable law in accordance with sound standards of engineering and construction, and done so in a workmanlike manner.

20. Plaintiffs are further informed and believe and thereupon allege that the Defendants, including DOES, entered into agreements, whether in writing or oral, with each other and other Defendants herein for the purpose of acting as builders, developers, designers, subcontractors, material men, suppliers with respect to the construction of the

Subject Properties. These contracts were made for the express and immediate benefit of Plaintiffs. Plaintiffs were third party beneficiaries of the foregoing contracts and any warranties, express or implied, by the contracts.

21. Plaintiffs are informed and believe and thereupon allege that the Subject Properties were and are not of merchantable quality, nor fit for the purpose as residential dwelling units and is defective, and other components and sources not yet identified or ascertained are not performing in the manner intended. The works of improvement at the Subject Properties are not of merchantable quality, but, in fact, are defective and have resulted in damage to the common areas and the residential units and structures thereon.

22. Plaintiffs are informed and believe and thereupon allege that the Subject Properties are not of merchantable quality, but instead, is defective in that it demonstrates improper, nonexistent and/or inadequate design and/or construction of the Subject Properties and structures thereon. The defective conditions as herein alleged have resulted in damaged and defective real property. Plaintiffs are informed and believe and thereupon alleges that the Subject Properties may be additionally defective in ways and to the extent not precisely known, but which will be inserted herein by way of amendment or will be established at the time of trial, according to proof.

23. Plaintiffs are informed and believe and thereupon allege that the above-described defects arose out of, were attributable to, and are directly and proximately caused by the above-described deficient acts or omissions in the design, specification, planning, supervision, observation of construction, construction, development and/or improvement of the Subject Properties, and that prior to the time when they were discovered by Plaintiffs as set forth herein, could not have been discovered by the exercise of reasonable diligence.

24. Plaintiffs are informed and believe and thereupon allege that as a direct and proximate result of the defects set forth herein and the breach of the aforesaid implied warranties by Defendants, and each of them, Plaintiffs have suffered damages in an amount precisely unknown, but believed to be in excess of this Court's jurisdiction in that it has been, and will hereafter be, required to perform works of repair, restoration and construction to portions of the Subject Properties to prevent further damage and to restore the portions of the Subject Properties to their proper condition including reasonable expenses of temporary housing reasonably necessary during the repair. Further, Plaintiffs have and will incur expert fees and costs to investigate the defective conditions to determine the nature, extent, cause of the defects and the reasonable and appropriate repairs. Finally, Plaintiffs and their members have suffered loss of other property damaged by the defective conditions which Plaintiffs will establish the precise amount of such damages at trial, according to proof.

25. Plaintiffs are informed and believe and thereupon allege that as a further direct and proximate result of the defective conditions of the Subject Properties, the Plaintiffs interests in the Subject Properties and the value thereof have been reduced and diminished. All of the above-described damages have occurred, but the amount thereof is precisely unknown, and when the precise amount is known, it will be established by way of amendment to these pleadings or according to proof at the time of trial.

26. Plaintiffs are informed and believe and thereupon allege that as a further direct and proximate result of the defective conditions of the Subject Properties, the Plaintiffs have and will continue to lose the use of enjoyment of the Subject Properties including use of the Subject Properties as a result of restoration required to repair and cure the defects.

27. Plaintiffs are informed and believe and thereupon allege that as a further direct and proximate result of the defective conditions of the Subject Properties, Plaintiffs were compelled to retain legal counsel to obtain recovery for the defective conditions. Therefore, Defendants are liable for attorneys' fees and costs reasonably necessary incurred by Plaintiffs in order to obtain compensation in a sum to be determined at trial.

III.

SECOND CAUSE OF ACTION

(Strict Liability Against All Defendants)

28. Plaintiffs refer to Paragraphs 1 through 27 of the General Allegations and First Cause of Action and incorporate the same herein as though fully set forth at this point.

29. Included as common constructional defects are defective products that have been installed in the Subject Properties for which Defendants are strictly liable. The products include, but may not be limited to, defective windows and sliding glass doors. Subsequent to the completion of the works of improvement at the Subject Properties, the Subject Properties have been defective as herein alleged, including defects in some products used, and the defects were neither known nor apparent to prospective purchasers by reasonable inspection at the time of acquisition by owners of the residential dwellings. Plaintiffs are informed and believe and thereupon allege that the Subject Properties may contain additional defective products not presently known, but which will be inserted by way of amendment or will be established at the time of trial, according to proof.

30. The Defendants named herein and DOES 1 through 100, inclusive, knew or had reason to know that the purchasers of the residential units would rely on the skills,

judgment and expertise of each of the Defendants herein named in producing and/or supplying and/or installing products in the Subject Properties that were reasonably fit for their intended purpose.

31. Plaintiffs have timely notified Defendants of the defective conditions; notwithstanding such notice, however, Defendants have declined and failed to acknowledge responsibility for all of the same, or otherwise cause the appropriate restoration and/or repair to be made to the Subject Properties at their cost.

32. Defendants, and each of them, as builders, are within the stream of commerce with respect to the defective products and are strictly liable and responsible to Plaintiffs for all damages suffered as a result of the above-described deficiencies.

33. Plaintiffs are informed and believe and thereupon allege that as a direct and proximate result of the defective products installed in the Subject Properties, Plaintiffs have suffered damages in an amount precisely unknown, but believed to be in excess of this Court's jurisdiction in that it has been, and now is, required to perform works of construction, restoration and repair to portions of said Subject Properties to prevent further damage and to restore portions of the Subject Properties to its proper condition including reasonable expenses of temporary housing reasonably necessary during the repair. Further, Plaintiffs have and will incur expert fees and costs to investigate the defective conditions to determine the nature, extent, cause of the defects and the reasonable and appropriate repairs. Finally, Plaintiffs have suffered loss of other property damaged by the defective conditions. Plaintiffs will establish the precise amount of such damages at trial, according to proof.

34. Plaintiffs are informed and believe and thereupon allege that as a further direct and proximate result of the defective conditions of the Subject Properties, the

Plaintiffs interests in the Subject Properties and the value thereof have been reduced and diminished. All of the above-described damages have occurred, but the amount thereof is precisely unknown, and when the precise amount is known, it will be established by way of amendment to these pleadings or according to proof at the time of trial.

35. Plaintiffs are informed and believe and thereupon allege that as a further direct and proximate result of the defective conditions of the Subject Properties, Plaintiffs will continue to lose the use of enjoyment of the Subject Properties including use of the Subject Properties as a result of restoration required to repair and cure the defects.

36. Plaintiffs are informed and believe and thereupon allege that as a further direct and proximate result of the defective conditions of the Subject Properties, Plaintiffs were compelled to retain legal counsel to obtain recovery for the defective conditions. Therefore, Defendants are liable to for attorneys' fees and costs reasonably necessary incurred by Plaintiffs in order to obtain compensation in a sum to be determined at trial.

IV.

THIRD CAUSE OF ACTION

(Negligence and Negligence Per Se Against All Defendants)

37. Plaintiffs re-allege and incorporate herein by reference Paragraphs 1 through 36 of the General Allegations, First and Second Causes of Action as though fully set forth at this point.

38. Plaintiffs are informed and believe and thereupon allege that Defendants, and each of them, including DOES, were and are declarants, builders, contractors, subcontractors, suppliers, material men, architects and/or engineers, or other persons, entities or professionals who participated in the process of developing design, engineering and/or construction of the Subject Properties and who performed works of labor, supplied

materials, equipment and/or services necessary for the building and construction, including supervision of construction of the Subject Properties with the knowledge that the Subject Properties would be sold to and used by members of the public, including the plaintiffs herein. In so doing, said Defendants, in their capacity as declarant, developer, builder, contractor, subcontractor, supplier, material man, architect, engineer and/or general contractor or otherwise, caused the Subject Properties to be designed, engineered and/or constructed through their own works of labor, and supplying of materials, equipment and services, and through causing other contractors and subcontractors, including other Defendants, to perform works of labor, and to supply materials, equipment and services in order to properly complete the Subject Properties so that it could be sold to and used by members of the general public.

39. Plaintiffs are informed and believe and thereupon allege that all Defendants named herein, whether declarant, developer, builder, contractor, subcontractor, supplier, materialman, architect, engineer or otherwise, performed work, labor and/or services upon the Subject Properties and each knew or should have known that if the Subject Properties were not properly or adequately designed, engineered, supervised and/or constructed, the owners and users would be substantially damaged thereby and the Subject Properties would be defective and not of merchantable quality. Likewise, Defendants knew or reasonably should have known that if the Subject Properties were not adequately designed, engineered, constructed, or installed, that the owners and users would be substantially damaged thereby and that the Subject Properties would be defective and not of merchantable quality.

40. Defendants named herein were under a duty to exercise ordinary care as declarant, developer, builder, contractor, subcontractor, supplier, materialman, architect,

engineer or otherwise to avoid reasonably foreseeable injury to users and purchasers of the Subject Properties and knew, and should have foreseen with reasonable certainty that purchasers and/or users would suffer the monetary damages set forth herein if said Defendants failed to perform their duty to cause the Subject Properties to be designed, engineered and completed in a proper and workmanlike manner and fashion.

41. In performing the works as declarant, developer, builder, contractor, subcontractor, supplier, materialman, architect, engineer or otherwise, said Defendants failed and neglected to perform the work, labor and services properly or adequately in that each of said Defendants has negligently, carelessly and in an unworkmanlike manner performed the aforesaid work, labor and/or services such that the Subject Properties as described herein is designed, engineered and/or constructed improperly, negligently, carelessly and/or in an unworkmanlike manner.

42. Plaintiffs are informed and believe and thereon allege that Defendants, and each of them, in addition to that heretofore alleged, violated the Building Codes and regulations of the City of North Las Vegas, County of Clark, the Uniform Building Codes and/or the Nevada Revised Statutes relating to development, common interest subdivisions, trade professionals, design professionals, construction and sales of real estate.

43. Plaintiffs are informed and believe and thereon allege that, in addition to that heretofore alleged, the damages sustained by Plaintiffs were proximately caused by the violations of the Codes alleged above.

44. Plaintiffs are informed and believe and thereon allege that the damages sustained by Plaintiffs are those which the Codes were designed to prevent.

45. Plaintiffs are informed and believe and thereon allege that they are members of the class of persons for whose protection the aforementioned Codes were adopted.

46. As a direct and proximate result of the foregoing violations of codes, negligence, carelessness and unworkmanlike conduct, actions and/or omissions by said Defendants, Plaintiffs have suffered damages in an amount presently unknown, but believed to be in excess of this Court's jurisdiction, in order to correct the defective conditions of the Subject Properties and to restore them to their proper condition including reasonable expenses of temporary housing reasonably necessary during the repair. Further, Plaintiffs have and will incur expert fees and costs to investigate the defective conditions to determine the nature, extent, cause of the defects and the reasonable and appropriate repairs. Finally, Plaintiffs and their members have suffered loss of other property damaged by the defective conditions; Plaintiffs are presently unaware of the precise amount of the damages, but will establish the same at trial, according to proof.

47. Plaintiffs are informed and believe and thereupon allege that as a further direct and proximate result of the defective conditions of the Subject Properties, the Plaintiffs interests in the Subject Properties and the value thereof have been reduced and diminished. All of the above-described damages have occurred, but the amount thereof is precisely unknown, and when the precise amount is known, it will be established by way of amendment to these pleadings or according to proof at the time of trial.

48. Plaintiffs are informed and believe and thereupon allege that as a further direct and proximate result of the defective conditions of the Subject Properties, Plaintiffs have and will continue to lose the use of enjoyment of the Subject Properties, including use of the Subject Properties as a result of restoration required to repair and cure the defects.

EXHIBIT 124
(Part 2)

Plaintiffs' Third Amended Complaint filed May 14, 2012, in Clark County District Court, Nevada, in the action captioned *Boyer, et al., v. PN II, Inc.,* Case No. A603841 ("*Boyer* action") (ISIC 3456-3477)

Part 2 (ISIC 3475-3477, ¶¶ 49-end)

49. Plaintiffs are informed and believe and thereupon allege that as a further direct and proximate result of the defective conditions of the Subject Properties, Plaintiffs were compelled to retain legal counsel to obtain recovery for the defective conditions. Therefore, Defendants are liable for those attorneys' fees reasonably necessary incurred by Plaintiffs in order to obtain compensation in a sum to be determined at trial.

V.

FOURTH CLAIM FOR RELIEF

(Declaratory and Other Equitable Relief)
Against all Defendants and Doe Individuals 1-200,
and Roe Business Entities 1-200

50. Plaintiffs re-allege and incorporate herein by reference Paragraphs 1 through 49 of the General Allegations, First, Second and Third Causes of Action as though fully set forth at this point.

51. Plaintiffs are informed and believe and thereupon allege that an actual controversy now exists between Plaintiffs and Defendants regarding the interpretation of NRS 40.600 *et. seq.* as it relates to the Plaintiffs' claims, the determination of which is essential to the administration of justice in this lawsuit. In particular, Plaintiffs allege the original pleading was necessary and proper to protect their rights and give effect to Chapter 40; that a valid Chapter 40 Common Constructional Defects Notice was provided to Defendants; that Defendants failed to properly respond to claimed defects nor disclose such pursuant to NRS 40.600 *et. seq.*

52. Plaintiffs desire a judicial determination of their respective rights including a stay of any and all applicable statutes of repose or limitation pending further discovery implicating design professionals not yet named pursuant to NRS 40.6884; and a judicial

determination of duties owed by the Defendants in connection with the matters herein alleged and a judgment in Plaintiffs' favor, as to any obligations by Defendants, and each of them, owed to Plaintiffs.

53. Plaintiffs are informed and believe and thereupon allege that if it is determined that these Defendants did not respond to certain defects, then the Court may impose certain penalties against Defendants and not award attorney's fees to these Defendants and may not deny an award of attorney's fees to Plaintiffs.

54. For the foregoing reasons, Plaintiffs respectfully ask this Court to resolve the following issues before the trial of other matters at issue:

a. Whether these Defendants' failure to respond to Plaintiffs NRS Chapter 40 Notice of Common Constructional Defects in good faith or otherwise participate in the process in good faith was unreasonable and/or constituted a failure to participate in the NRS 40.600 *et. seq.* process in good faith and/or

otherwise violated said Defendant's duties and obligations under NRS 40.600 *et. seq.*;

b. Which, if any, statutory penalties provided in NRS 40.600 *et. seq.* should be levied against these Defendants; and

c. Any other further relief that the Court deems necessary and/or appropriate to give full force and effect to the provisions of NRS 40.600 *et. seq.*, NRS 116 *et seq.* and NRS 113 *et seq.*

WHEREFORE, Plaintiffs allege as damages caused by the conduct of Defendants, as set forth above, and pray for damages and other relief against Defendants as follows:

1. For general and special damages pursuant to NRS 40.600 *et. seq.*, and all other statutory or common law causes of action, as plead in this Complaint, all in an amount in excess of $40,000.00;

2. Reasonable attorney's fees, costs, expert costs and expenses, pursuant to NRS 40.600 *et. seq.*, NRS 116 *et. seq.*,and NRS 113 *et. seq.*, and pursuant to statutory and common law as set forth above;

3. Prejudgment interest; and

4. For such further relief as is necessary, including punitive damages, to satisfy and punish Defendants' violations of 40.600 *et. seq.* and NRS 116 *et seq.*, including equitable and monetary relief.

DATED this 14th day of May, 2012.

LATTIE MALANGA LIBERTINO, LLP

By

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Counsel for Plaintiffs

EXHIBIT 125

Third Party Complaint filed by PN II, Inc., on May 22, 2012, in the *Boyer* action (ISIC 3482-3497)

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CLERK OF THE COURT

TPC
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Attorneys for Defendant/Third-Party Plaintiff
PN II, INC.

DISTRICT COURT

CLARK COUNTY, NEVADA

RONALD BOYER, as owner/manager of ROYAL VELVET, LLC and ROYAL VELVET 8, LLC; JEFFREY and TERESA BUTTON, husband and wife; ALFRED and GLORIA PITTS, husband and wife; EONA NOVAK; LUIS and JEANETTE VELAZQUEZ, husband and wife; M&R SPECIALIST SVC, LLC; DANIEL AND SHARON RUFF, husband and wife; LISA TEJEDA; DANIEL DOUGHERTY; NENA GARMA; THOMAS and AMY CABRERA, husband and wife; MARK and YU JUAN WIEGAND, husband and wife; CAYL LYKINS; RICHARD WILLIS; LEE ANN BURTON; TIMOTHY FOX; RICHARD TOWNSEND; KINDLER WILLIAMS; JUDITH TABAT; CHARLES and ANNE COOK, husband and wife; JASON and MANDY PHELPS, husband and wife; EMILY LANDERS; GREG and ANITA HOLLAND, husband and wife; DENNIS and LORRAINE HAGEN, husband and wife; PATRICIA NASHICK; NICHOLAS KOVALEVSKY; CHRIS GEIGER; VINCENT and GINA HUDDLE, husband and wife; JEFFREY and JONI MILLER, husband and wife; ANTOINETTE SCORTA; DEAN and MARY LUDWIG, husband and wife; REBECCA DEHNER; RALPH and TRACY WILLIAMS, husband and wife; PETER and SHARON BROOKS, husband and wife; RICHARD	**CASE NO.: A603841** **DEPT. NO.: XXII** **THIRD PARTY COMPLAINT**

ISIC 3482

LINDSEY; AZRIE and VICTORIS CONN, husband and wife; CHARLENE PU; STEVE and LUISA RASMUSSEN, husband and wife; PAUL and LAURA BERTUCCINO, husband and wife; MARTIN WOODS; TODD FRENCH; SUSAN MORRIS; SAMANTHA WATERS; MICHELE JOHNSON; ROY and MARY NEILL, husband wife; CHRSTINE BOHM; DENNIS and CHERYL CAVANAUGH, husband and wife; JOHN and LYNN EASTON, husband and wife; RENE and LYNDA VANTIEGHAM, husband and wife; ERNEST McGRIFF; MARJORIE CERECK; JOHN McAULEY; ROBERT and ERNESTINE SHUMAKER, husband and wife; CLIFFORD REEDER; CHARLES and DAWN KROEGEL, husband and wife; ERIC and STACY RICCARDI, husband and wife; MICHAEL and ESTELLE GREENE, husband and wife; CARLOS MIGUEL; CHRISTINE TARALLO; JUAN GONZALES; RAYMOND and PAMELA VIGIL, husband and wife; JAMES and BARBARA STOCKWELL, husband and wife; DANIEL and LYNNAE SOWERS, husband and wife; and BRIAN OLSHEVSKI,

Plaintiffs,

vs.

PN II, INC., a Nevada Corporation; and DOES 1-100

Defendants.

PN II, INC., a Nevada Corporation,

Third-Party Plaintiff,

vs.

ADAMS BROS. INTERIORS OF NEVADA, INC.; APPLE MASONRY, INC.; AVANTI INDUSTRIES CORPORATION; A R ORNAMENTAL IRON, INC.; ABI GROUP LV, L.L.C. dba CABINET WEST DISTRIBUTORS, INC.; CAMPBELL CONCRETE OF NEVADA, INC.; CONCRETE, INC.; DESERT FIREPLACES PLUS, INC.; IES RESIDENTIAL, INC. f/k/a HOUSTON-STAFFORD ELECTRICAL, INC.; HUTCHINS DRYWALL, INC.; JAYAR MANUFACTURING, INC.; KNIPP

ISIC 3483

BROTHERS, INC.; MERILLAT CORPORATION; MILGARD MANUFACTURING INCORPORATED; PACIFIC STUCCO, INC.; PIONEER PLUMBING, INC.; P.R. CONSTRUCTION CO.; SIERRA AIR CONDITIONING, INC.; SOUTHWEST CIVIL CONSTRUCTORS, LLC d/b/a SOUTHWEST IRON WORKS, LLC; STATE INSULATION LLC; STATEWIDE LIGHTING, INC.; STEWART & SUNDELL CONCRETE, INC.; SUN CITY LANDSCAPES & LAWN MAINTENANCE, INC.; THE MASONRY GROUP NEVADA INC.; VEGAS LAMINATES, INC.; WILLIS ROOF CONSULTING, INC.; WINPRO INTERNATIONAL, INC.; and ROES 1-100,

Third-Party Defendants.

COMES NOW Defendant, PN II, INC., (hereinafter "Third-Party Plaintiff"), by and through its attorneys KOELLER, NEBEKER, CARLSON & HALUCK, LLP, and hereby files its Third-Party Complaint alleging claims for relief against Third-Party Defendants as follows:

1. The true names and capacities, whether individual, corporate, associate, or otherwise of the Third-Party Defendants designated herein as ROES 1 through 100, inclusive, are unknown to Third-Party Plaintiff, who therefore sues said Third-Party Defendants by such fictitious names, and who will seek leave of Court to amend this Third-Party Complaint to set forth their true names and capacities, together with the appropriate charging allegations when same have been ascertained. Third-Party Plaintiff is informed and believes and based thereon alleges Third-Party Defendants, ROES 1 through 100, inclusive, are responsible to Third-Party Plaintiff on the facts and theories herein alleged.

2. Third-Party Plaintiff is informed and believes, and thereon alleges, Third-Party Defendants designated herein as ROES 1 through 100, inclusive, were operated and/or organized under the laws of Nevada as domestic or foreign business entities, and/or were at all times relevant hereto performing business in Clark County, Nevada.

3. At all relevant times, Third-Party Defendants, ROES 1 through 100 were the agents, servants and/or employees of each of the remaining Third-Party Defendants, and were acting within the course and scope of said agency, servitude and/or employment.

4. Third-Party Plaintiff is informed and believes, and thereon alleges each of the Third-Party Defendants ROES 1 through 100 are in some manner responsible for the events and happenings to which reference is made herein, and that each Third-Party Defendant caused injury and damage to Third-Party Plaintiff as alleged herein.

5. Third-Party Plaintiff is a corporation organized under the laws of the State of Nevada and is, and at all times relevant herein, was authorized to do business in the State of Nevada.

6. At all times relevant herein, each of the Third-Party Defendants were entities doing business in the State of Nevada and performed architectural, engineering, or construction related work and/or supplied materials for the construction on or around the duplex homes, recreation centers, and/or common areas located within the residential development known as Eagle Creek, located in the City of North Las Vegas, County of Clark, State of Nevada.

7. Each of the following Third-Party Defendants were architects, engineers, suppliers, manufacturers or subcontractors who performed engineering, architectural or construction activities for the residences located within and throughout the Eagle Creek development (the "Subject Properties"), or who supplied or provided to one of the other architects, engineers or subcontractors materials and/or other items which were installed into and/or became a part of one, some, or all of the Subject Properties within and throughout the Eagle Creek development: ADAMS BROS. INTERIORS OF NEVADA, INC.; APPLE MASONRY, INC.; AVANTI INDUSTRIES CORPORATION; A R ORNAMENTAL IRON, INC.; ABI GROUP LV, L.L.C. d/b/a CABINET WEST DISTRIBUTORS, INC.; CAMPBELL CONCRETE OF NEVADA, INC.; CONCRETE, INC.; DESERT FIREPLACES PLUS, INC.; IES RESIDENTIAL, INC. f/k/a HOUSTON-STAFFORD ELECTRICAL, INC.; HUTCHINS DRYWALL, INC.; JAYAR MANUFACTURING, INC.;

KNIPP BROTHERS, INC.; MERILLAT CORPORATION; MILGARD MANUFACTURING INCORPORATED; PACIFIC STUCCO, INC.; PIONEER PLUMBING, INC.; P.R. CONSTRUCTION CO.; SIERRA AIR CONDITIONING, INC.; SOUTHWEST CIVIL CONSTRUCTORS, LLC d/b/a SOUTHWEST IRON WORKS, LLC; STATE INSULATION LLC; STATEWIDE LIGHTING, INC.; STEWART & SUNDELL CONCRETE, INC.; SUN CITY LANDSCAPES & LAWN MAINTENANCE, INC.; THE MASONRY GROUP NEVADA INC.; VEGAS LAMINATES, INC.; WILLIS ROOF CONSULTING, INC.; and WINPRO INTERNATIONAL, INC.

8. Prior to the filing of this Third-Party Complaint, Plaintiffs filed a Third Amended Complaint against PN II, Inc., seeking monetary damages. Plaintiffs' Third Amended Complaint is incorporated by reference herein. By incorporating Plaintiffs' allegations, PN II, Inc. does not make any representations as to the veracity of same.

9. Plaintiffs allege in their Third Amended Complaint that they are entitled to monetary damages as a result of defective design, preparation, construction, supervision, manufacture, and/or improvement of the homes which Plaintiffs own.

10. Third-Party Plaintiff is informed and believes, and based thereon alleges Third-Party Defendants were hired, retained, and engaged by Third-Party Plaintiff to design, prepare, construct, supervise, manufacture, and/or otherwise improve the homes which Plaintiffs own.

FIRST CLAIM FOR RELIEF
(Breach of Contract)

11. Third-Party Plaintiff alleges, and incorporates herein by this reference, each of the allegations set forth in Paragraphs 1 through 10.

12. Third-Party Plaintiff is informed and believes, and thereon alleges Third-Party Plaintiff entered into written agreements with Third-Party Defendants which include, among others, the following terms: Third-Party Defendants warrant all work will be performed in a good and workmanlike manner; Third-Party Defendants guarantee the work and all materials furnished shall be free from faults or defects; prior to starting the work Third-Party Defendants shall obtain and maintain insurance; and Third-Party Defendants shall protect, hold free and

harmless, defend and indemnify Third-Party Plaintiff from all liability, penalties, costs, losses, damages, expenses, causes of action, claims or judgments (including attorney's fees) resulting from injury to, or death sustained by any person (including contractor's employees), or damage to property of any kind.

13. Third-Party Plaintiff is informed and believes, and thereon alleges, pursuant to the terms of the written agreements as alleged above herein, each Third-Party Defendant undertook obligations, including but not limited to maintenance of liability insurance policies, to name Third-Party Plaintiff as an additional insured under its respective policies of liability insurance, to indemnify Third-Party Plaintiff, to defend Third-Party Plaintiff and to perform its work in a good and workmanlike manner in accordance with the plans and specifications.

14. Third-Party Plaintiff has fully performed all conditions, covenants and promises required by it to be performed in accordance with the terms and conditions of said written agreements.

15. Third-Party Plaintiff is informed and believes, and thereon alleges Third-Party Defendants have breached said written agreements by refusing and failing to comply with their contractual obligations to maintain liability insurance, to name Third-Party Plaintiff as an additional insured under said policies of liability insurance, to indemnify Third-Party Plaintiff, to defend Third-Party Plaintiff, and to perform their work in a good and workmanlike manner, without defects, and in accordance with said written agreements, solely as alleged by Plaintiff.

16. As a direct and proximate result of Third-Party Defendants' breaches of contract, Third-Party Plaintiff has been damaged in a sum which is currently unascertainable. Third-Party Plaintiff will seek leave of Court to amend this Third-Party Complaint when such sum can be reasonably ascertained.

17. Third-Party Plaintiff has necessarily engaged the firm of KOELLER, NEBEKER, CARLSON & HALUCK, LLP, to represent it in the main action herein and in this Third-Party Complaint, and has incurred legal fees, court costs, investigation costs, and will in the future incur further fees and costs, as aforesaid, all by reason of said Complaint instituted by Plaintiff.

SECOND CLAIM FOR RELIEF
(Express Indemnity)

18. Third-Party Plaintiff alleges, and incorporates herein by this reference, each of the allegations set forth in paragraphs 1 through 17.

19. Third-Party Plaintiff is informed and believes, and thereon alleges Third-Party Plaintiff entered into written agreements with Third-Party Defendants, which include, among others, the following terms:

Exhibit B

> Contractor hereby agrees to save, indemnify, and keep harmless Pulte and its agents and employees against all liability, claims, judgments, suits, or demands for damages to persons or property arising out of, resulting from, or relating to Contractor's performance of the work under this Agreement ("Claims") unless such Claims have been specifically determined by the trier of fact to be the sole negligence of the Pulte. Contractor's duty to indemnify Pulte shall arise at the time written notice of a Claim is first provided to Pulte regardless of whether claimant has filed suit on the Claim. Contractor's duty to indemnify Pulte shall arise even if Pulte is the only party sued by claimant and/or claimant alleges that Pulte's negligence was the sole cause of claimant's damages. Contractor's indemnification obligation shall include, but not be limited to, any Claim made against Pulte by Contractor's employee or Contractor who has been injured on property owned by Pulte.
>
> Contractor will defend any and all Claims which may be brought or threatened against Pulte and will pay on behalf of Pulte any expenses incurred by reason of such Claims including, but not limited to, court costs and reasonable attorney fees incurred in defending or investigating such Claims. Such payments on behalf of Pulte shall be in addition to any and all other legal remedies available to Pulte and shall not be considered Pulte's exclusive remedy.

20. Third-Party Plaintiff is informed and believes, and thereon alleges the defects and damages claimed by Plaintiff involved alleged defects in, damage to, or destruction of property, and Third-Party Plaintiff further is informed and believes, and thereon alleges, that said damages were caused by Third-Party Defendants arising out of and connected with the performance of Third-Party Defendants' obligations pursuant to those written agreements herein referred to and entered into by Third-Party Defendants.

21. Third-Party Plaintiff has made demand, and by this action further demands Third-Party Defendants defend, indemnify, release, and hold harmless Third-Party Plaintiff for

any sums paid by way of settlement, judgment or otherwise to Plaintiff in the underlying action.

22. Third-Party Plaintiff is informed and believes, and thereon alleges Third-Party Defendants have failed and refused to, and continues to fail and refuse to defend, indemnify, release and hold harmless Third-Party Plaintiff.

23. Third-Party Plaintiff has retained attorneys to defend the underlying action filed by Plaintiff, thereby incurring costs and attorneys' fees in the defense of this action and in the prosecution of this Third-Party Complaint. If necessary, Third-Party Plaintiff will seek leave of Court to amend this Third-Party Complaint to show the amount of said costs and attorneys' fees when the same becomes known to Third-Party Plaintiff.

24. Third-Party Plaintiff is informed and believes, and thereon alleges Third-Party Plaintiff is entitled to express indemnity from Third-Party Defendants, including costs and attorneys' fees according to proof at the time of trial, pursuant to the terms of the written agreements entered into between Third-Party Plaintiff and Third-Party Defendants.

25. Third-Party Plaintiff has necessarily engaged the firm of KOELLER, NEBEKER, CARLSON & HALUCK, LLP to represent it in the main action herein and in this Third-Party Complaint, and has incurred legal fees, court costs, investigation costs, and will in the future incur further fees and costs, as aforesaid, all by reason of said Complaint instituted by Plaintiff.

THIRD CLAIM FOR RELIEF

(Breach of Express Warranty)

26. Third-Party Plaintiff alleges, and incorporates herein by this reference, each of the allegations set forth in paragraphs 1 through 25.

27. Third-Party Plaintiff is informed and believes, and thereon alleges Third-Party Plaintiff entered into written agreements with Third-Party Defendants, which include, among others, the following terms:

> **13.** CONTRACTOR warrants and guarantees that all work and materials furnished by it under this Agreement shall be free from faults or defects for a period of two (2) years from the date that PULTE conveys title to the subject

> of the work (house or condominium unit) to its purchaser, or for the duration of any warranties afforded by law to purchase of homes or condominium units in Nevada, or so long as the State CONTRACTORs Board of the State of Nevada has jurisdiction over PULTE for the work, whichever is longest. In addition, CONTRACTOR shall deliver any and all applicable manufacturers' warranties on materials furnished by it to PULTE when the work is completed or this Agreement terminated. The warranties and guarantees contained herein shall in all cases survive termination of this Agreement.

28. Third-Party Plaintiff relied upon such warranties and believed in good faith that the Residence and its structures would comply with the approved plans and specifications for the development of the Residence and would be free from defective construction or workmanship.

29. Third-Party Plaintiff has fully performed all conditions and promises required on its part to be performed in accordance with the terms and conditions of the agreements.

30. Third-Party Plaintiff has provided noticed, and by this Third-Party Complaint provides further notice to Third-Party Defendants of claims asserted by Plaintiff, which trigger the warranty provision and all associated obligations referenced and herein above.

31. Third-Party Plaintiff has undertaken a defense in the matter in question and, Third-Party Plaintiff has incurred expenses in the defense of the claims, therefore Third-Party Plaintiff alleges it is entitled to judgment over and against Third-Party Defendants for all sums Third-Party Plaintiff incurs by reason of said judgment, settlement and expense of litigation, including reasonable attorneys' fees and costs as provided by the contractual agreements, the applicable terms of which have been set forth herein.

32. Third-Party Plaintiff has necessarily engaged the firm of KOELLER, NEBEKER, CARLSON & HALUCK, LLP to represent it in the main action herein and in this Third-Party Complaint, and has incurred legal fees, Court costs, investigation costs, and will in the future incur further fees and costs, as aforesaid, all by reason of said Complaint instituted by Plaintiff.

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FOURTH CLAIM FOR RELIEF
(Breach of Implied Warranty)

33. Third-Party Plaintiff alleges, and incorporates herein by this reference, each of the allegations set forth in Paragraphs 1 through 32.

34. Third-Party Plaintiff is informed and believes, and based thereon alleges that Third-Party Defendants and ROES 1-100, impliedly warranted that the Subject Properties at Eagle Creek were designed and constructed in a reasonably workmanlike manner.

35. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants and ROES 1-100, impliedly warranted that the Subject Properties at the Eagle Creek community were of merchantable quality and safe and fit for their foreseeable or intended use.

36. Plaintiffs have alleged in their Complaint that the Third-Party Plaintiff is somehow liable for the damage, if any, that they have alleged. Third-Party Plaintiff, by way of Answer to Plaintiff's Complaint, has denied and continues to deny Plaintiffs' allegations and has asserted, by way of Answer, the appropriate affirmative defenses. If at the trial of this action it should be determined that Third-Party Plaintiff is in some manner responsible to Plaintiff, then Third-Party Plaintiff is informed and believes, and thereon alleges, that the proximate cause of Plaintiffs' damage, if any, was a result of Third-Party Defendants' failure to construct the Subject Properties in a reasonably workmanlike manner as warranted by Third-Party Defendants, ROES 1-100, and each of them, and therefore Third-Party Defendants and ROES 1-100 have breached their implied warranty.

37. Third-Party Plaintiff intends this Third-Party Complaint to constitute additional notice to said Third-Party Defendants and ROES 1-100 of the breach of said implied warranty.

38. Third-Party Plaintiff alleges that, by virtue of their breach of implied warranty, Third-Party Defendants and ROES 1-100 are liable to Third-Party Plaintiffs for resulting damages, including, but not limited to the expenses in defending Plaintiffs' Complaint, any judgment or settlement ultimately favoring Plaintiffs, and the expense of maintaining this Third-Party Complaint.

39. Third-Party Plaintiff relied on the skill and judgment of Third-Party Defendants, and used the improvements at the Residence in their reasonably foreseeable or intended manner.

40. As a direct and proximate result of the breaches of implied warranty by Third-Party Defendants, Third-Party Plaintiff has incurred and continues to incur considerable expenses in defending this suit and may have to pay all or part of any recovery realized by Plaintiff.

41. Third-Party Plaintiff has necessarily engaged the firm of KOELLER, NEBEKER, CARLSON & HALUCK, LLP to represent it in the main action herein and in this Third-Party Complaint, and has incurred legal fees, Court costs, investigation costs, and will in the future incur further fees and costs, as aforesaid, all by reason of said Complaint instituted by Plaintiff.

FIFTH CLAIM FOR RELIEF
(Declaratory Relief Regarding Duty to Defend)

42. Third-Party Plaintiff alleges, and incorporates herein by this reference, each of the allegations set forth in Paragraphs 1 through 41.

43. An actual controversy exists between Third-Party Plaintiff and Third-Party Defendants as to their rights and liabilities with respect to any ultimate responsibility to the Third-Party Plaintiff and with respect to the right of the Third-Party Plaintiff to receive, or duty of the Third-Party Defendants to provide, a defense to Third-Party Plaintiff.

44. Third-Party Plaintiff contends because its claims arise out of, and are connected to the work, materials or services provided by Third-Party Defendants, and/or because the contracts between Third-Party Plaintiff and Third-Party Defendants expressly provide for the defense of Third-Party Plaintiff against claims of Plaintiff, then Third-Party Defendants have an obligation to defend Third-Party Plaintiff without and before a determination of the fault of the Third-Party Defendants for the damages alleged by Plaintiff.

45. Third-Party Plaintiff is informed and believes, and thereon alleges Third-Party Defendants contend to the contrary. Therefore, an actual controversy exists relative to the legal

rights and duties of the respective parties pursuant to their written agreements, which controversy Third-Party Plaintiff requests this Court to resolve.

46. Third-Party Plaintiff has necessarily engaged the firm of KOELLER, NEBEKER, CARLSON & HALUCK, LLP to represent it in the main action herein and in this Third-Party Complaint, and has incurred legal fees, Court costs, investigation costs, and will in the future incur further fees and costs, as aforesaid, all by reason of said Complaint instituted by Plaintiff.

SIXTH CLAIM FOR RELIEF
(Declaratory Relief Regarding Duty to Indemnify)

47. Third-Party Plaintiff alleges, and incorporates herein by this reference, each of the allegations set forth in Paragraphs 1 though 46.

48. An actual controversy exists between Third-Party Plaintiff and Third-Party Defendants as to their rights and liabilities with respect to any ultimate responsibility for Plaintiff's claims, and with respect to the rights to receive, or duty to give, full indemnification or indemnification in proportion to their comparative faults, if any.

49. Third-Party Plaintiff contends that, if it suffers judgment in the action brought by Plaintiff, or if it pays monies by way of a reasonable compromise of said claim, then Third-Party Plaintiff is entitled to be fully indemnified by Third-Party Defendants, and/or entitled to judgment over and against Third-Party Defendants to the extent of Third-Party Plaintiff's financial responsibility to Plaintiff, or to the extent such responsibility exceeds the percentage of Third-Party Plaintiff's negligence, fault or liability, if any.

50. Third-Party Plaintiff is informed and believes, and thereon alleges Third-Party Defendants contend to the contrary. Therefore, an actual controversy exists relative to the legal rights and duties of the respective parties pursuant to their written agreements, which controversy Third-Party Plaintiff requests this Court to resolve.

51. Third-Party Plaintiff has necessarily engaged the firm of KOELLER, NEBEKER, CARLSON & HALUCK, LLP to represent it in the main action herein and in this Third-Party Complaint, and has incurred legal fees, Court costs, investigation costs, and will in

the future incur further fees and costs, as aforesaid, all by reason of said Complaint instituted by Plaintiff.

SEVENTH CLAIM FOR RELIEF
(Contribution)

52. Third-Party Plaintiff alleges, and incorporates herein by this reference, each of the allegations set forth in paragraphs 1 through 51 as though fully set forth herein.

53. Third-Party Plaintiff contends it is not responsible legally or otherwise for the damage created from the defects alleged by Plaintiff in this litigation. Despite this, Third-Party Plaintiff has incurred expenses investigating and defending the claims asserted by Plaintiff in this matter, which were caused by Third-Party Defendants, solely as alleged by Plaintiff.

54. In the event the trier of fact concludes Plaintiff's allegations are true, and if Third-Party Plaintiff is held liable to Plaintiff in said action, then Third-Party Plaintiff alleges any responsibility found on the part of Third-Party Plaintiff will be due to the negligence and/or fault of Third-Party Defendants.

55. By reason of the foregoing, if Plaintiff should recover judgment against Third-Party Plaintiff and/or if Third-Party Plaintiff should enter into a settlement or compromise with Plaintiff, then Third-Party Plaintiff will be entitled to contribution over and against Third-Party Defendants for all costs, expenses and attorneys' fees Third-Party Plaintiff incurs in the preparation and presentation of its defense of the principal action, and in the preparation, presentation and prosecution of this Third-Party Complaint, respectively.

56. Third-Party Plaintiff has necessarily engaged the firm of KOELLER, NEBEKER, CARLSON & HALUCK, LLP to represent it in the main action herein and in this Third-Party Complaint, and has incurred legal fees, Court costs, investigation costs, and will in the future incur further fees and costs, as aforesaid, all by reason of said Complaint instituted by Plaintiff.

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EIGHTH CLAIM FOR RELIEF
(Apportionment)

57. Third-Party Plaintiff alleges, and incorporates herein by this reference, each of the allegations set forth in paragraphs 1 through 56 as though fully set forth herein.

58. Third-Party Plaintiff contends it is not responsible legally or otherwise for the damage created from the defects alleged by Plaintiff in this litigation. Despite this, Third-Party Plaintiff has incurred expenses investigating and defending the claims asserted by Plaintiff in this matter, which were caused by Third-Party Defendants solely as alleged by Plaintiff.

59. In the event the trier of fact concludes Plaintiff's allegations are true, and if Third-Party Plaintiff is held liable to Plaintiff in said action, then Third-Party Plaintiff alleges any responsibility found on the part of Third-Party Plaintiff will be due to the negligence and/or fault of Third-Party Defendants.

60. By reason of the foregoing, if Plaintiff should recover judgment against Third-Party Plaintiff and/or if Third-Party Plaintiff should enter into a settlement or compromise with Plaintiff, then Third-Party Plaintiff will be entitled to apportionment over and against Third-Party Defendants for all costs, expenses, and attorneys' fees Third-Party Plaintiff incurs in the preparation and presentation of its defense of the principal action, and in the preparation, presentation and prosecution of this Third-Party Complaint, respectively.

61. Third-Party Plaintiff has necessarily engaged the firm of KOELLER, NEBEKER, CARLSON & HALUCK, LLP to represent it in the main action herein and in this Third-Party Complaint, and has incurred legal fees, court costs, investigation costs, and will in the future incur further fees and costs, as aforesaid, all by reason of said Complaint instituted by Plaintiff.

WHEREFORE, Third-Party Plaintiff respectfully requests that this Honorable Court enter judgment against Third-Party Defendants and ROES 1-100, and each of them, as follows:

1. A determination that each Third-Party Defendant, ROES 1-100 and each of them, contributed in some percentage to the loss, damage and detriment alleged by Third-Party Plaintiff and for a declaration of percentages by which the Third-Party Defendants, ROES 1-

100 and each of them, contributed to the loss, damage and detriment, if any, of Third-Party Plaintiff;

2. That if Plaintiffs should recover a sum or judgment against Third-Party Plaintiff, that Third-Party Plaintiff should have judgment against Third-Party Defendants and ROES 1-100;

3. That Third-Party Plaintiff is entitled to a defense from Third-Party Defendants and ROES 1-100;

4. For general and special damages in an amount to be proven at trial;

5. For indemnity of all damages and/or economic losses that Plaintiffs recover against Third-Party Plaintiff by way of judgment, order, settlement, compromise, or trial;

6. For reasonable attorney's fees, expert fees and costs;

7. For prejudgment interest and post-judgment interest;

8. For contribution pursuant to NRS 17.225; and

9. For such other and further relief as the Court may deem just, equitable and proper.

DATED this 22nd day of May, 2012.

KOELLER, NEBEKER, CARLSON,
& HALUCK, LLP

By: _____

RICHARD D. YOUNG, ESQ.
Nevada Bar No. 11331
300 South Fourth Street, Suite 500
Las Vegas, NV 89101
Attorneys for Defendant/Third-Party Plaintiff
PN II, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 22nd day of May, 2012, I served a true and correct copy of the foregoing **THIRD-PARTY COMPLAINT** by depositing a copy in the United States Mail at Las Vegas, Nevada postage fully prepaid, addressed to the following individual:

David T. Pursiano, Esq.
Laural L. Barry, Esq.
James V. Lavelle, Esq.
PURSIANO BARRY LAVELLE BRUCE HASSIN, LLP
851 S. Rampart Blvd., Suite 260
Las Vegas, Nevada 89145
Attorneys for Plaintiffs

Jonathan G. Lattie, Esq.
Teresa A. Libertino, Esq.
LATTIE, MALANGA, LIBERTINO, LLP
7935 West Sahara Avenue, Suite 106
Las Vegas, Nevada 89117
Attorneys for Plaintiffs

Toni Nohl
An Employee of
KOELLER, NEBEKER, CARLSON & HALUCK, LLP

EXHIBIT 126

August 1, 2012 letter from Zurich to Ironshore and others (ISIC 3422-3423)

ZURICH

RECEIVED
AUG 06 2012
MCA

August 1, 2012

Great American Insurance
580 Walnut Street
Cincinnati, OH 45202

Ironshore Specialty Insurance Co.
c/o Midlands Claim Administrators, Inc.
P.O. Box 23198
Oklahoma City, OK 73123

United Specialty Insurance
Attn: Claims Department
P.O. Box 24622
Fort Worth, Texas 76124

ZURICH
Construction & Defect
Claim Services
Mailing Address:
P.O. Box 66965
Chicago, IL 60666-0965

Telephone (702) 408-3845
Fax (866) 257-1205
www.zurichna.com
Brett.Richardt@zurichna.com

RE: *Ronald Boyer et al. vs. Pulte Homes of Nevada*

Project:	Eagle Creek – Las Vegas, NV	
Insured:	P R CONSTRUCTION CORP.	
Zurich Claim No:	526-0050403	
Zurich Policy No.:	SCP 38949211	[10/12/01 – 10/12/02]
Great American No:	PAC 9271160	[10/12/98 – 10/12/01]
Ironshore No:	00XXV0905001	[10/12/09 – 10/12/11]
United Specialty No.:	TWG42000606	[10/12/11 – 10/12/12]

Dear Claims Professionals:

The purpose of this letter is to tender the defense and indemnity on behalf of P R CONSTRUCTION under the above listed policies.

The above referenced case involves allegations of construction defects at single-family homes located within the Eagle Creek development in Las Vegas, Nevada. It is believed your insured, P R CONSTRUCTION, completed installation of interior trim and finish carpentry pursuant to an agreement with project developer PULTE HOMES OF NEVADA.

127213, 212-MP

4

ISIC 3422

Assurance Company of America provided coverage to P R CONSTRUCTION from October 12, 2001, until October 12, 2002, and has commenced its coverage investigation subject to a full reservation of rights.

Please acknowledge in writing receipt of this letter within the next thirty (30) days by providing us with information regarding the assigned adjuster, claim number, and your position regarding the defense and indemnification of our mutual insured.

Please be advised that we are undertaking a complete review of this claim. We tender this matter to you so that you may complete your own coverage investigation. All actions taken in regard to this matter are undertaken subject to a complete reservation of rights under the terms, conditions and provisions of the policies, and in law and equity. No action taken shall constitute an admission of liability or coverage under the policies, and should not be construed as a waiver of any right or as an estoppel from asserting any right to disclaim or limit coverage under the policies.

If you have any questions, or require additional information or documentation to assist in your coverage investigation, please contact the undersigned at (702) 408-3845.

Sincerely,
Assurance Company of America
Brett A. Richardt

Brett A. Richardt
Claims Specialist III
CD & PL Claim Services

E-Mail: Brett.Richardt@zurichna.com

EXHIBIT 127

Excerpt from the Midlands adjuster's claim notes incorporating an email dated August 22, 2012, from counsel for third-party defendant and third-party plaintiff PN II, Inc. (ISIC 3418)

Report Criteria: Filter = Claim Number = '127212'

Group 1: FH Claim is 127212

FH Claim / Loss Date	Tier Claim / Company Name	Party Name / Type	Received Date / File Status	Loss Cause / Claim Type	File Handler / Policy Number
127212	127212	RONALD BOYER ET AL	June 15, 2012		Crystal Mathews
January 31, 2009	PR CONSTRUCTION CORPORATION	Claimant	Closed	Conversion Claim Type GL PD	00XXV0905001

08/22/2012	PROFFITT, MEL L	NOTE TO FILE	COVERAGE - R & R E-MAIL WITH ATTACHMENTS From: Richard D. Young [mailto:Richard.Young@knchlaw.com] Sent: Wednesday, August 22, 2012 1:25 PM To: Mel L. Proffitt Subject: RE: Boyer, et al v P R Drywall LLC - 127212-MP, 127213-MP; Developer: Pulte Homes No worries Mel, I just wanted to be certain. In any event, my response to your request follows: Our records indicate PR Construction performed trim carpentry work on all the homes that are involved in this litigation. There are three subdivisions involved, and I have attached the scope of work exhibits related to PR's work at all three subdivisions. The number of homes totals 62. A homeowner matrix is attached with original close of escrow dates. Thank you
08/09/2012	PROFFITT, MEL L	NOTE TO FILE	COVERAGE - E-MAIL FOR DOCS From: Mel L. Proffitt Sent: Thursday, August 09, 2012 2:06 PM To: 'JASON.WILLIAMS@KNCHLAW.COM' Subject: Boyer, et al v P R Drywall LLC - 127212-MP, 127213-MP; Developer: Pulte Homes Please provide us with Homeowner Matrix w/ NOC dates, Scope of Work Matrix, accounting records, and any other documentation that shows what homes in the litigation our insured worked on and when they preformed their work. Thank you for your help. M. L. Proffitt, Jr. Midlands Claim Administrators, Inc. 3503 N.W. 63rd. Suite 204 OKC, OK 73116-2203 Phone: 405-840-0950 Fax: 405-840-4375 E-Mail: mlproffitt@midman.com mailto:mlproffitt@midman.com The information contained in this message and any attachments may contain personal, private, protected, confidential and/or privileged information and is intended only for the sole use of the designated recipient. If you are not the intended recipient, please do not read, copy, distribute, use or disclose it to anyone else. If you have received this message in error, please notify the sender by replying to this message and then deleting it from your computer or records. Thank you.
07/13/2012	CARAWAY, MARK	NOTE TO FILE	SUPERVISORS REVIEW OF FILE ICFN IN PLACE REMOVING FROM MY DIARY AS ROB WILL SUPERVISE NOW
06/18/2012	PROFFITT, MEL L	NOTE TO FILE	COVERAGE - E-MAIL FOR DOCS From: Mel L. Proffitt Sent: Monday, June 18, 2012 7:57 AM To: 'JASON.WILLIAMS@KNCHLAW.COM' Subject: Boyer, et al v P R Drywall LLC - 127212-MP, 127213-MP; Developer: Pulte Homes Please provide us with Homeowner Matrix, Scope of Work Matrix, accounting records, and any other documentation that shows what homes in the litigation our insured worked on and when they preformed their work. Thank you for your help on this matter. M. L. Proffitt, Jr. Midlands Claim Administrators, Inc. 3503 N.W. 63rd, Suite 204 OKC, OK 73116-2203 Phone: 405-840-0950 Fax: 405-840-4375 E-Mail: mlproffitt@midman.com mailto:mlproffitt@midman.com The information contained in this message and any attachments may contain personal, private, protected, confidential and/or privileged information and is intended only for the sole use of the designated recipient. If you are not the intended recipient, please do not read, copy, distribute, use or disclose it to anyone else. If you have received this message in error, please notify the sender by replying to this message and then deleting it from your computer or records. Thank you.

EXHIBIT 128

Close of Escrow Matrix for this claim, received from counsel for third-party defendant and third-party plaintiff PN II, Inc. (ISIC 3534-3535)

No.	Last Name	Address	Original COE
1	Boyer	6229 Eagle Crossing St.	10/17/2002
2	Burton	5917 Trumbull Street	1/15/1999
3	Button	6257 Eagle Crossing St.	9/24/2002
4	Cabrera	5925 Oakton St.	12/1/1999
5	Cook	5904 Oakton Street	2/29/2000
6	Dougherty	5405 Bridgehampton Avenue	10/31/1999
7	Fox	6045 Crystal Talon St.	12/31/1999
8	Garma	5416 Leadville Avenue	9/20/2000
9	Hagen	5700 Raven Creek Avenue	3/28/2001
10	Landers/Holland	5921 Kentlands St.	12/16/1999
11	Lykins	5605 Bridgehampton Avenue	3/31/1999
12	Novak	6209 Grizzly Gorge St.	6/20/2000
13	Pitts	5409 Leadville Avenue	8/28/2000
14	Phelps	5633 Eagle Claw Avenue	6/28/2002
15	Ruff	5713 Raven Creek Avenue	3/21/2001
16	Tabat	5501 Bridgehampton Ave.	5/21/1999
17	Tabisaura	5504 Eagle Cove Avenue	3/30/2000
18	Tejeda	5621 Raven Creek Avenue	2/20/2001
19	Townsend	6233 Eagle Crossing St.	11/21/2002
20	Velazquez	5613 Bridgehampton Avenue	12/31/1998
21	Wiegand	5405 Wells Cathedral Ave.	8/31/1999
22	Willis	5705 Eagle Claw	7/29/2002
23	Geiger	5917 Mount Auburn St.	3/31/1999
24	Huddle	5632 Pepperpike Avenue	3/31/1999
25	Kovalevsky	5400 Leadville Avenue	8/24/2000
26	Miller	6024 Crystal Cascade St.	8/31/1999
27	Nashick	5908 Kentlands Street	10/31/1999
28	Scota	6105 Crystal Talon St.	12/2/1999
29	Ludwig	5400 Wells Cathedral Ave.	8/2/1999
30	Dehner	5924 Oakton St.	1/19/2000
31	Williams	5500 Eagle Cove Ave.	7/20/2000
32	Brooks	6224 Grizzly Gorge St.	6/20/2000
33	Lindsey	6220 Grizzly Gorge St.	7/3/2000
34	Conn	5916 Naperville St.	11/10/1998
35	Pu	5633 Bridgehampton Ave.	12/2/1998
36	Rasmussen	5508 Raincreek Ave.	5/1/2000
37	Bertuccini	5901 Mount Auburn St.	4/2/1999
38	Woods	5401 Bridgehampton Ave.	11/24/1999
39	French	5909 Mount Auburn St.	3/10/1999
40	Morris	5420 Leadville Ave.	9/28/2000
41	Waters	6225 Timberwolf Ct.	4/28/2000
42	Johnson	5908 Mount Auburn St.	5/21/1999
43	Neill	5509 Raven Creek Ave.	7/28/2000
44	Bohm	6117 Crystal Talon Street	4/27/2000
45	Cavanaugh	5409 Bridgehampton Ave.	9/27/1999

ISIC 3534

46	Easton	5609 Bridgehampton Ave.	2/26/1999
47	Vantiegham	6261 Eagle Crossing St.	9/23/2002
48	Mcgriff	6217 Eagle Crossing St.	11/21/2002
49	Cereck	5920 Kentlands St.	11/16/1999
50	Mcauley	5408 Eagle Claw Ave.	12/27/2000
51	Shumaker	5417 Eagle Claw Ave.	12/19/2000
52	Reeder	5609 Eagle Claw Ave.	6/3/2002
53	Kroegel	5437 Eagle Claw Ave.	5/22/2000
54	Riccardi	6136 Crystal Cascade St.	8/18/2000
55	Greene	5704 Eagle Claw Ave.	8/22/2002
56	Miguel	5501 Raincreek Ave.	5/26/2000
57	Tarallo	5433 Eagle Claw Ave.	6/21/2000
58	Gonzales	6228 Timberwolf Court	5/1/2000
59	Vigil	5617 Eagle Claw Ave.	6/4/2002
60	Stockwell	5913 Kentlands St.	12/27/1999
61	Sowers	5500 Raincreek Ave.	4/24/2000
62	Olshevski	5917 Kentlands St.	12/30/1999

ISIC 3535

EXHIBIT 129

Portions of subcontracts stating PR Construction Corporation's scope of work at the project at issue, received from counsel for third-party defendant and third-party plaintiff PN II, Inc. (ISIC 3529-3550)

Schedule A Contract

Date 01/23/02

Page 1

Initials: BJN

Contract: 0077224000 Description: CARPENTRY - TRIM - FINAL
Addendum: 5
Community: 0077 EAGLE CROSSING II

Vendor..... 196027 P.R. CONSTRUCTION, INC. 4201 W. CANNOLI CIRCLE
LAS VEGAS NV 89103-0000

ISIC 3529

Effective From 01/01/02 Thru 01/01/03

This Agreement shall be effective from above date and shall automatically terminate upon the "Thru" date. Agreement shall renew for continuous like periods (one year) unless otherwise terminated or amended by PULTE. Except in the case of termination of the Agreement by PULTE, CONTRACTOR shall complete work commenced pursuant to Job Initiation Orders issued prior to such automatic termination date. The total sums for the project listed are to be paid as determined by PULTE, and in such installments as indicated on Schedule A Contract. each installment being subject to a retention of: 10% payable no later than the latter of one (1) year after final completion of house or local minicipality acceptance, subject to PULTE'S discretion.

	Plan Id:	31023	31057	31120	31372	31585
	Plan Number:	1023	1057	1120	1372	1585
	Description:	STING PLAN	STING PLAN	GOT PLAN 11	GOT PLAN 13	GOT PLAN 15
	Community:	0077	0077	0077	0077	0077
Base/Option		Acct/Category				
00001 1023	BASE HOUSE	22408 Trim Carpentry #1	1,414	1,749	1,653	1,773	1,847
25008 1023	MIRRORED CLOS	22408 Trim Carpentry #1	175	175	350	455	485
25009 1120	DEN OPTW/MIRR	22408 Trim Carpentry #1			175-	155-	155-
25011 1023	6 PANEL DOO	22408 Trim Carpentry #1	175	175	260	265	310
25012 1120	6 PANEL DOO	22408 Trim Carpentry #1			5-	5-	5-
25014 1585	6 PANEL DBL D	22408 Trim Carpentry #1					20
35028 1120	OPTIONAL DEN	22408 Trim Carpentry #1			48-	42-	27-
35053 1585	ADD DOUBLE DO	22408 Trim Carpentry #1					145

Reinstate 1372 plan four more houses ch