

**GREENWICH INSURANCE COMPANY
STAMFORD, CONNECTICUT**

(A Stock Insurance Company Herein Called the Company)

POLLUTION AND REMEDIATION LEGAL LIABILITY POLICY

THIS IS A "CLAIMS-MADE AND REPORTED" POLICY. THE POLICY REQUIRES THAT A CLAIM BE MADE UPON THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF ANY. PLEASE READ CAREFULLY.

THIS POLICY CONTAINS PROVISIONS WHICH LIMIT THE AMOUNT OF LEGAL DEFENSE EXPENSE THE COMPANY IS RESPONSIBLE TO PAY IN CONNECTION WITH CLAIMS. LEGAL DEFENSE EXPENSE SHALL BE APPLIED AGAINST ANY RETENTION AMOUNT AND IS SUBJECT TO THE LIMITS OF LIABILITY STATED IN ITEM 3.A. OF THE DECLARATIONS.

In consideration of the payment of the Policy Premium stated in Item 6. of the Declarations and in reliance upon the statements contained in the Application and any other supplemental materials and information submitted herewith, and subject to all the terms and conditions of this Policy, the Company agrees with the NAMED INSURED as follows:

I. INSURING AGREEMENT

A. Coverage A - POLLUTION LEGAL LIABILITY

To pay on behalf of the INSURED for LOSS in excess of any Retention Amount stated in Item 3.b. of the Declarations which the INSURED has or will become legally obligated to pay as a result of CLAIMS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, Automatic Extended Reporting Period or Optional Extended Reporting Period, if applicable, from POLLUTION CONDITIONS on, at, under or emanating from the location(s) stated in the Pollution Legal Liability Schedule.

B. Coverage B - REMEDIATION LEGAL LIABILITY

To pay on behalf of the INSURED for REMEDIATION EXPENSE in excess of any Retention Amount stated in Item 3.b. of the Declarations which the INSURED has discovered or will become legally obligated to pay as a result of POLLUTION CONDITIONS on, at, under or emanating from the location(s) stated in the Remediation Legal Liability Schedule first discovered and reported to the company, in writing, during the POLICY PERIOD, Automatic Extended Reporting Period or Optional Extended Reporting Period, if applicable.

C. Coverage C - LEGAL DEFENSE EXPENSE

To pay on behalf of the INSURED for LEGAL DEFENSE EXPENSE in excess of any Retention Amount stated in Item 3.b. of the Declarations arising from CLAIMS under Coverage A, Coverage B or Coverage D to which this Policy applies. The Company shall have the right and the duty to defend the INSURED against any CLAIM seeking damages for a LOSS or in connection with REMEDIATION EXPENSE. The Company will have no duty to defend the INSURED against any CLAIM to which this Policy does not apply.

D. Coverage D - CONTINGENT TRANSPORTATION COVERAGE

To pay on behalf of the INSURED for LOSS, REMEDIATION EXPENSE or LEGAL DEFENSE EXPENSE in excess of the retention amount stated in Item 3.b. of the Declarations as a result of CLAIMS first made against the INSURED and reported to the Company in writing during the policy period, Automatic Extended Reporting Period or Optional Extended Reporting Period, if applicable, for POLLUTION CONDITIONS arising from the INSURED's product or waste during the course of TRANSPORTATION by a CARRIER during the policy period.

II. DEFINITIONS

A. AUTOMOBILE means a land motor vehicle, trailer, semi-trailer, MOBILE EQUIPMENT, or off-road motor vehicle, including any machinery or apparatus attached thereto. As used in this definition, MOBILE EQUIPMENT means any of the following types of land vehicles, including any attached machinery or equipment:

1. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. vehicles maintained for use solely on premises owned or rented by the NAMED INSURED;
3. vehicles that travel on crawler treads;
4. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (a) power cranes, shovels, loaders or drills; or
 - (b) road construction or resurfacing equipment such as graders, scrapers or rollers,
5. vehicles not described in (1), (2), (3) or (4) above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (a) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment, or
 - (b) cherry pickers and similar devices used to raise or lower workers;
6. vehicles not described in (1), (2), (3), (4) or (5) 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:

- (a) Equipment designed primarily for:
 - (i) snow removal;
 - (ii) road maintenance, but not construction or resurfacing;
 - (iii) street cleaning;
- (b) cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers, and
- (c) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

B. BODILY INJURY means bodily injury, sickness, disease, mental anguish, shock or building related illness sustained by any person, including death resulting therefrom, caused by POLLUTION CONDITIONS.

C. CARRIER means a person or entity, other than the INSURED or any subsidiary or affiliate company of the INSURED, engaged in the business of transporting property for hire by AUTOMOBILE, WATERCRAFT or rolling stock.

D. CLAIM(S) means the assertion of a legal right alleging liability or responsibility on the part of the INSURED, arising out of POLLUTION CONDITIONS, and shall include but not necessarily be limited to lawsuits or petitions filed against the INSURED.

- E. FIRST NAMED INSURED** means the person or entity stated in Item 1. of the Declarations and any director, officer, partner, employee, LEASED WORKER, or TEMPORARY WORKER thereof while acting within the scope of his/her duties as such.
- F. INSURED** means the FIRST NAMED INSURED and any Additional Named INSURED endorsed onto the policy, and any director, officer, partner, employee, LEASED WORKER or TEMPORARY WORKER thereof while acting within the scope of his/her duties as such.
- G. INSURED CONTRACT(S)** means contract(s) designated in any INSURED CONTRACT(S) Schedule.
- H. LEASED WORKER** means a person leased to the INSURED by a labor leasing firm under an agreement between the INSURED and the labor leasing firm, to perform duties related to the conduct of the INSURED's business. LEASED WORKER does not include TEMPORARY WORKER.
- I. LEGAL DEFENSE EXPENSE** means legal costs, charges and expenses incurred in the investigation, adjustment or defense of CLAIMS.
- J. LOSS** means monetary judgment, award or settlement of compensatory damages arising from:
- a. BODILY INJURY; or
 - b. PROPERTY DAMAGE
- K. LOW-LEVEL RADIOACTIVE WASTE AND MATERIAL** means waste or material that contains radioactivity and is not classified as high-level waste or material, transuranic waste or spent nuclear fuel. Test specimens of fissionable material irradiated for research and development only, and not for production of power or plutonium, may be classified as low-level waste, provided the concentration of transuranic waste is less than 100 nCi/g. LOW-LEVEL RADIOACTIVE WASTE AND MATERIAL includes mixed waste containing both radioactive and hazardous components AS DEFINED BY THE Atomic Energy Act and the Resource Conservation and Recovery Act.
- L. POLICY PERIOD** means the Period stated in Item 2. of the Declarations, or any shorter period arising as a result of cancellation.
- M. POLLUTION CONDITIONS** means the discharge, dispersal, release, seepage, migration, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, hazardous materials, waste materials, including medical, infectious and pathological wastes, electromagnetic fields, LOW LEVEL RADIOACTIVE WASTE and MATERIAL, or other irritants, contaminants or pollutants into or upon land, or structures thereupon, the atmosphere, or any watercourse or body of water including groundwater.
- N. PROPERTY DAMAGE** means:
1. physical injury to or destruction of tangible property, including the personal property of third parties; or
 2. loss of use of such property that has not been physically injured or destroyed; or
 3. diminished third party property value

provided that such physical injury or destruction and/or loss of use are caused by POLLUTION CONDITIONS.

- O. REMEDIATION EXPENSE** means expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment or neutralization of POLLUTION CONDITIONS, including REPLACEMENT COSTS, to the extent required by (1) Federal, State, Local or Provincial Laws, Regulations or Statutes, or any subsequent amendments thereof, enacted to address POLLUTION CONDITIONS, and/or (2) a legally executed state voluntary program governing the cleanup of POLLUTION CONDITIONS.
- P. TEMPORARY WORKER** means a person who is furnished to the INSURED to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions.
- Q. WATERCRAFT** means any vessel or other contrivance used or capable of being used as a means of transportation upon water, whether self-propelled or otherwise, including barges and tugs.
- R. REPLACEMENT COSTS** means costs necessarily incurred by the INSURED to repair or replace real or personal property damaged during the course of REMEDIATION EXPENSE in order to restore the property to the condition it was in prior to REMEDIATION EXPENSE. These costs shall not exceed the net present value of such property prior to the investigation, removal, disposal, treatment or neutralization of POLLUTION CONDITIONS. REPLACEMENT COSTS do not include costs associated with improvements or betterments.
- S. TRANSPORTATION** means the movement by a CARRIER of the INSURED's product or waste generated by the INSURED, after a CARRIER leaves the covered location(s) stated in the Pollution Legal Liability or Remediation Legal Liability Schedule until the INSURED's waste is unloaded at its final disposal point or the INSURED'S product is delivered, at its final delivery point.

III. TERRITORY

This Policy only applies to CLAIMS made or brought in the United States, its territories or possessions or in Canada.

IV. EXCLUSIONS

- A. With respect to Section I. Insuring Agreement, Coverage A, Coverage B, and Coverage D, and any LEGAL DEFENSE EXPENSE provided under Coverage C arising from a CLAIM under Coverages A, B and D, this Insurance does not apply to LOSS, REMEDIATION EXPENSE, or LEGAL DEFENSE EXPENSE:**
- 1. Known Condition(s)**
arising from POLLUTION CONDITIONS existing prior to the inception of this Policy, and reported to any officer, director, partner or other employee responsible for environmental affairs of the NAMED INSURED, and were not disclosed in writing to the Company in the application or related materials prior to the inception of this Policy or prior to the location being placed on the Pollution Legal Liability Schedule and Remediation Legal Liability Schedule. All documents listed in the Known Condition(s) Document Schedule are disclosed to the Company.
 - 2. Multiplied Damages/Fines/Penalties**
based upon or arising out of civil, administrative or criminal fines or penalties, assessments, punitive, exemplary or multiplied damages.

3. Employer's Liability/Workers' Compensation

based upon or arising out of injury to any employee, director, officer, partner, LEASED WORKER or TEMPORARY WORKER of the NAMED INSURED if such injury occurs during and in the course of said employment or arising out of any Workers' Compensation, unemployment compensation, unemployment compensation or disability benefits law or similar law.

4. Contractual Liability

based upon or arising as a result of liability of others assumed by the INSURED under any contract or agreement unless the liability would exist in the absence of a contract or agreement. This exclusion does not apply to INSURED CONTRACT(S), if any, stated in the INSURED CONTRACT(S) Schedule;

5. Insured's Property/Bailee Liability

based upon or arising as a result of PROPERTY DAMAGE to property owned, leased or operated by, or in the care, custody or control of the INSURED, even if such PROPERTY DAMAGE is incurred to avoid or mitigate LOSS which may be covered under this Policy. This exclusion does not apply to REPLACEMENT COSTS.

6. Vehicles

based upon or arising out of the ownership, maintenance, use, operation, loading or unloading of any AUTOMOBILE, aircraft, WATERCRAFT, rolling stock or all transportation, including any cargo carried thereby, beyond the legal boundaries of location(s) owned, leased or operated by the INSURED and stated in either the Pollution Legal Liability Schedule or the Remediation Legal Liability Schedule.

This exclusion does not apply to Coverage D – Contingent Transportation Coverage.

7. Divested Property

based upon or arising from POLLUTION CONDITIONS on, at, under or emanating from the location(s) stated in either the Pollution Legal Liability Schedule or the Remediation Legal Liability Schedule, where the actual discharge, dispersal, release, seepage, migration or escape of POLLUTION CONDITIONS begins subsequent to the time such location(s) are sold, given away, or abandoned by the FIRST NAMED INSURED, or condemned;

8. Nuclear Hazard:

a. Under any Liability Coverage, to BODILY INJURY, PROPERTY DAMAGE or REMEDIATION EXPENSE

(1) with respect to which an INSURED under this Policy is also an INSURED under a nuclear energy liability Policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an INSURED under any such Policy but for its termination upon exhaustion of its limits of liability; or

(2) resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and with respect to which

(a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or

(b) 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 Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL, if
- (1) the NUCLEAR MATERIAL
 - (a) is at any NUCLEAR FACILITY owned by, or operated by or on behalf of, an INSURED or
 - (b) has been discharged or dispersed therefrom; or
 - (2) the NUCLEAR MATERIAL is contained in SPENT FUEL or WASTE at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an INSURED; or
 - (3) the 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 8. b. (3) applies only to PROPERTY DAMAGE to such NUCLEAR FACILITY and any property thereat.
- c. As used in this exclusion:
- (1) "HAZARDOUS PROPERTIES" includes radioactive, toxic or explosive properties;
 - (2) "NUCLEAR MATERIAL" means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL or BYPRODUCT MATERIAL;
 - (3) "SOURCE MATERIAL", "SPECIAL NUCLEAR MATERIAL" and "BYPRODUCT MATERIAL" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
 - (4) "SPENT FUEL" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;
 - (5) "WASTE" means any waste material
 - (a) containing BYPRODUCT MATERIAL; and
 - (b) resulting from the operation by any person or organization of any NUCLEAR FACILITY included within the definition of NUCLEAR FACILITY under paragraph (6) (a) or (6) (b) thereof;
 - (6) "NUCLEAR FACILITY" means:
 - (a) any NUCLEAR REACTOR,
 - (b) any equipment or device designed or used for separating the isotopes of uranium or plutonium, processing or utilizing SPENT FUEL, or 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;
 - (7) "NUCLEAR REACTOR" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
 - (8) "PROPERTY DAMAGE" includes all forms of radioactive contamination of property;

9. Products Liability

based upon or arising out of goods or products manufactured, sold, handled, distributed, altered or repaired by the INSURED or by others trading under the INSURED's name including any container thereof, any failure to warn, or any reliance upon a representation or warranty made at any time with respect thereto, but only if the POLLUTION CONDITIONS occur away from the location(s) owned, operated, or leased by the INSURED and after physical possession of such has been relinquished to others.

10. Intentional Acts

arising from POLLUTION CONDITIONS that result from intentional disregard of, or the deliberate, willful or dishonest non-compliance with any statute, regulation, ordinance, administrative complaint, notice letter or instruction by any governmental agency or representative, by any officer, director, partner, or other employee responsible for environmental affairs of the INSURED.

POLLUTION CONDITIONS attributable to such acts or omissions must be proven in a court of law.

11. Hostile Acts

based upon or arising out of any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

12. Lead Based Paint and Asbestos

based upon or arising out of LOSS, REMEDIATION EXPENSE or LEGAL DEFENSE EXPENSE from the existence, required removal or abatement of lead based paint or asbestos, products containing asbestos, asbestos fibers or asbestos dust.

13. Underground Storage Tank(s)

based upon or arising out of the existence of any underground storage tank(s) and associated piping on, at, or under the location(s) stated in either the Pollution Legal Liability Schedule or the Remediation Legal Liability Schedule, but only if the existence of such is known by any officer, director, partner or other employee responsible for environmental affairs of the INSURED. This exclusion does not apply to underground storage tank(s) and associated piping either closed or abandoned in place, in accordance with all applicable federal and state regulations or to any underground storage tank(s) and associated piping, if any, stated in the Underground Storage Tank(s) and Associated Piping Schedule.

14. Natural Radioactive Material

based upon or arising out of the existence, required removal or abatement of naturally occurring radioactive materials, including but not limited to radon.

V. EXTENDED REPORTING PERIOD

A. Automatic Extended Reporting Period

In the event of the termination of this insurance by any reason of cancellation or non-renewal, the INSURED shall be entitled to an Automatic Sixty (60) Day Extended Reporting Period for no additional premium. The extension of coverage granted hereunder shall be subject to the terms and conditions of this Policy and shall apply to CLAIMS first made against the INSURED during the sixty (60) days immediately following the effective date of such cancellation or non-renewal, but only by reason of POLLUTION CONDITIONS existing as of or prior to the applicable termination or expiration date otherwise covered by this insurance. The Automatic Sixty (60) Day Extended Reporting Period does not apply to POLLUTION CONDITIONS on, at, under, or emanating from the location(s) stated in either the Pollution Legal Liability Schedule or the

Remediation Legal Liability Schedule subsequent to the applicable termination or expiration date otherwise covered by this insurance. This provision does not apply if the Policy is terminated for fraud or non-payment of premium.

B. Optional Extended Reporting Period

Except in the event that this Policy is terminated for fraud, the INSURED shall be entitled to purchase an extension of coverage upon cancellation or non-renewal of the Policy subject to the following terms and conditions:

For policy terms in effect less than three-hundred and sixty-five (365) days, the INSURED shall be entitled to purchase an Optional Extended Reporting Period upon payment of an additional premium of not more than 200% of the full Policy Premium stated in Item 6 of the Declarations.

For policy terms equal to or greater than three-hundred and sixty-five (365) days, the INSURED shall be entitled to purchase an Optional Extended Reporting Period upon payment of an additional premium of not more than 100% of the full Policy Premium stated in Item 6 of the Declarations. The Optional Extended Reporting Period shall be effective for three (3) consecutive three-hundred and sixty-five (365) day periods commencing immediately following the effective date of cancellation or non-renewal. The FIRST NAMED INSURED must elect to purchase this Optional Extended Reporting Period in writing within thirty (30) days from the cancellation or non-renewal of the Policy. The Automatic Extended Reporting Period of sixty (60) days will be merged into this period and is not in addition to this period. The extension of coverage granted hereunder shall only apply as respects POLLUTION CONDITIONS existing as of or prior to the date of cancellation or non-renewal of this Policy, and otherwise covered by this Policy. It is a condition precedent to the operation of the rights granted under this clause that payment of the appropriate premium shall be made not later than thirty (30) days after expiration in the case of non-renewal or prior to cancellation in the case of cancellation.

In the event that the Policy is terminated for non-payment of premium, the FIRST NAMED INSURED may purchase the Optional Extended Reporting Period; however, any premium paid by the FIRST NAMED INSURED will first be applied to the owed payment of premium under the Policy and then will be applied to the purchase of the Optional Extended Reporting Period.

For purposes of this Section the quotation of different terms and conditions by the Company shall not be construed as non-renewal.

VI. LIMIT OF LIABILITY AND RETENTION

- A. For Coverages A, B, C & D, this Policy will pay 100% of any covered LOSS, REMEDIATION EXPENSE or LEGAL DEFENSE EXPENSE in excess of the applicable Retention Amount stated in Item 3.b. of the Declarations and subject to the Limits of Liability stated in Item 3.a. of the Declarations and the other terms and conditions of this Policy.
- B. The Retention Amount is to be borne by the INSURED and is not to be insured unless the Company has expressed its prior consent in writing to the FIRST NAMED INSURED. All LOSS, REMEDIATION EXPENSE or LEGAL DEFENSE EXPENSE arising out of the same or related POLLUTION CONDITIONS at any one location shall be considered a single LOSS, REMEDIATION EXPENSE or LEGAL DEFENSE EXPENSE. The applicable Limit of Liability stated in Item 3.a. of the Declarations shall apply.
- C. The Company's total liability for all LOSS, REMEDIATION EXPENSE or LEGAL DEFENSE EXPENSE during the POLICY PERIOD, Automatic Extended Reporting Period or Optional Extended Reporting Period, if applicable, shall not exceed the Limit of Liability stated in Item 3.a. of the Declarations.

- D. Noncumulation of Limits of Liability for Multiple CLAIMS That Are Reported in Different POLICY PERIODS: Any LOSS, REMEDIATION EXPENSE, or LEGAL DEFENSE EXPENSE incurred because of one or more CLAIMS arising out of the same or related POLLUTION CONDITIONS made against the INSURED and reported to the Company, in writing, over more than one POLICY PERIOD shall be considered a single CLAIM. The CLAIM will be subject to the same Limits of Liability in effect at the time of the first reported POLLUTION CONDITIONS. Further, only the Retention Amount in effect at the time of the first reported POLLUTION CONDITIONS will apply.

VII. REPORTING, DEFENSE, SETTLEMENT AND COOPERATION

- A. As a condition precedent to the coverage hereunder, in the event of BODILY INJURY, PROPERTY DAMAGE, POLLUTION CONDITIONS, or any CLAIM, written or oral notice containing particulars sufficient to identify the INSURED and also reasonable obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the INSURED to the Company or any of its authorized agents as soon as practicable. In the event of oral notice, the INSURED agrees to furnish a written report as soon as practicable.
- B. As a condition precedent to the coverage hereunder, if a CLAIM is made against the INSURED, the INSURED shall forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED's representative as soon as practicable.
- C. No costs, charges or expenses shall be incurred, nor payments made, obligations assumed or remediation commenced without the Company's consent which shall not be unreasonably withheld. This provision does not apply to emergency response costs. The Company shall have the right but not the duty to designate legal counsel for the investigation, adjustment and defense of CLAIMS which will not be done so without the INSURED's consent. The INSURED shall not admit liability or settle any CLAIM without the Company's consent. If the Company recommends a settlement of a CLAIM:
1. for an amount within the Retention and the INSURED refuses such settlement, the Company shall not be liable for any LOSS, REMEDIATION EXPENSE or LEGAL DEFENSE EXPENSE in excess of the Retention; or
 2. for a total amount in excess of the balance of the Retention and the INSURED refuses such settlement, the Company's liability for LOSS, REMEDIATION EXPENSE or LEGAL DEFENSE EXPENSE shall be limited to that portion of the recommended settlement and the costs, charges and expenses as of the INSURED's refusal which exceed the Retention and fall within the Limit of Liability.
- D. The Company shall have the right and the duty to assume the investigation, adjustment or defense of any CLAIM. In case of the exercise of this right, the INSURED, on demand of the Company, shall promptly reimburse the Company for any element of LOSS, REMEDIATION EXPENSE or LEGAL DEFENSE EXPENSE falling within the INSURED's Retention.
- E. The INSURED shall cooperate with the Company and upon the Company's request shall submit to examination and interrogation by a representative of the Company, under oath if required, and shall attend hearings, depositions and trials and shall assist in affecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, as well as in the investigation and/or defense, all without charge to the Company. The INSURED shall further cooperate with the Company and do whatever is necessary to secure and affect any rights of indemnity, contribution or apportionment which the INSURED may have.

VIII. TRANSFER OF LEGAL DEFENSE DUTIES

- A. If the Company believes that the Limit of Liability stated in Item 3.a. of the Declarations has been or soon will be exhausted in defending CLAIMS or that the Company has paid out or will soon pay out the Aggregate Limit of Liability stated in Item 3a. of the Declarations, the Company will so notify the FIRST NAMED INSURED in writing as soon as possible. The Company will advise that its duty to defend CLAIMS seeking damages subject to those limits has terminated, subject to payment of the limits, and that it will no longer handle the defense of any CLAIM for which notice is given after the date it sends out such notice. The Company will take immediate and appropriate steps to transfer control of any existing defense prior to exhaustion of the limits to the FIRST NAMED INSURED. The FIRST NAMED INSURED agrees to reimburse the Company for any costs which the Company bears in connection with the transfer of the defense.
- B. The Company will take appropriate steps necessary to defend the CLAIM during the transfer of the defense and avoid any unfavorable legal action provided that the FIRST NAMED INSURED cooperates in the transfer of the duties of the defense.
- C. The exhaustion of the applicable Limit of Liability by the payment of LOSS, REMEDIATION EXPENSE or LEGAL DEFENSE EXPENSE will not be affected by the Company's failure to comply with any of the provisions of this section.

IX. CONDITIONS

- A. **INSPECTION AND AUDIT** -- The Company shall be permitted but not obligated to inspect, sample and monitor on a continuing basis the INSURED's property or operations and any scheduled location, at any time. Neither the Company's right to make inspections, sample and monitor nor the actual undertaking thereof nor any report thereon shall constitute an undertaking, on behalf of the INSURED or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation. Access for the inspection and audit will be coordinated through the broker or agent of the FIRST NAMED INSURED.
- B. **CANCELLATION** -- This Policy may be canceled by the FIRST NAMED INSURED by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy may be canceled by the Company by mailing to the FIRST NAMED INSURED at the address shown in this Policy, written notice stating when not less than sixty (60) days (ten (10) days for non-payment of premium) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the FIRST NAMED INSURED or by the Company shall be equivalent to mailing.
- If the FIRST NAMED INSURED cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is affected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- C. **DECLARATIONS AND REPRESENTATIONS** -- By acceptance of this Policy, the INSURED agrees that the statements contained in the Declarations and any other supplemental materials and information submitted herewith are the INSURED's agreements and representations, that they shall be deemed material, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the INSURED and the Company or any of its agents relating to this insurance.

- D. ACTION AGAINST COMPANY** -- No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, nor until the amount of the INSURED's obligation to pay shall have been finally determined either by judgment against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organization shall have any right under this Policy to join the Company as a party to any action against the INSURED to determine the INSURED's liability, nor shall the Company be impleaded by the INSURED or his legal representative. Bankruptcy or insolvency of the INSURED or of the INSURED's estate shall not relieve the Company of any of its obligations hereunder.

- E. ASSIGNMENT** -- This Policy shall be void as to the assignee or transferee, if assigned or transferred without written consent of the Company. Such written consent shall not be unreasonably withheld or delayed by the Company.
- F. SUBROGATION** -- In the event of any payment under this Policy, the Company shall be subrogated to all the INSURED's rights of recovery therefor against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing after a CLAIM to prejudice such rights.
- G. CHANGES** -- Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a waiver or a change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy.
- H. SOLE AGENT** -- The FIRST NAMED INSURED stated in Item 1. of the Declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this Policy, giving and receiving notice of cancellation or non-renewal and the exercise of the rights provided in Section V. Extended Reporting Period, B. Optional Extended Reporting Period.
- I. OTHER INSURANCE** -- Subject to Section VI., Limits of Liability and Retention, this insurance shall be in excess of the Retention Amount stated in the Declarations and any other valid and collectible insurance available to the INSURED whether such other insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the limits of liability provided in this Policy.
- J. HEADINGS** -- The descriptions in the headings of this Policy are solely for convenience and form no part of the Policy terms and conditions.
- K. JURISDICTION AND VENUE** -- It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company and the INSURED will submit to the jurisdiction of the State of New York and will comply with all the requirements necessary to give such court jurisdiction. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company's right to remove an action to a United States District Court.
- L. CHOICE OF LAW** -- All matters arising hereunder including questions related to the validity interpretation, performance and enforcement of this Policy shall be determined in accordance with the law and practice of the State of New York (notwithstanding New York's conflicts of law rules).

M. SEVERABILITY -- Except with respect to Limits of Liability and any rights and duties assigned in this Policy to the FIRST NAMED INSURED, this insurance applies as if each INSURED were the only INSURED and separately to each INSURED against whom a CLAIM is made.

IN WITNESS WHEREOF the Company has caused this Policy to be signed by its President and Secretary and countersigned on the Declarations by a duly authorized agent of the Company.

Cheresa M. Morgan

SECRETARY

Nicholas M. Brown, Jr.

PRESIDENT

SPECIMEN