



Mt. Hawley Insurance Company
Peoria, Illinois 61615

ATTENTION POLICYHOLDER:

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false, incomplete, or misleading information, or conceals information concerning any material fact thereto, commits a fraudulent insurance act, which is a crime punishable by incarceration, and shall also be subject to civil penalties.



IMPORTANT NOTICE TO POLICYHOLDERS

TERRORISM RISK INSURANCE ACT, AS AMENDED

Under the Terrorism Risk Insurance Act, as amended (the "**Act**"), we must make coverage for "**certified acts of terrorism**" available in the policies we offer. We notified you at the time of offer and purchase of the policy to which this Notice is attached that this coverage was available and we gave you the right to reject our offer of such terrorism coverage. If you elected to purchase the coverage, the premium charged for such coverage is shown on the Declarations page of the policy. If you elected to reject the coverage we have not charged your policy for terrorism coverage and have attached a terrorism exclusion to your policy.

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States government under a formula established by federal law. Under this formula, the United States government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

You should also know that the Act contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Specific coverage terms for terrorism, including limitations and exclusions, are more fully described in endorsements attached to the policy. Your policy may contain an exclusion for losses that are not eligible for federal reinsurance under the Act.

Definitions:

"**Certified act of terrorism**," as defined in Section 102(1) of the Act, means an act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals 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.

Questions regarding your election should be directed to your agent or broker.



Mt. Hawley Insurance Company

(herein called the "Company")

**EXCESS LIABILITY POLICY
DECLARATIONS**

POLICY NO: MXL0418887

New Policy

PRODUCER: R-T Specialty, LLC

**18007 15th Floor
40 Fulton Street
New York, NY 10038**

ITEM 1. NAMED INSURED AND MAILING ADDRESS

**Spray Force Systems Inc
108-02 Rockaway Beach
Rockaway Park, NY 11694**

ITEM 2. POLICY PERIOD (Mo./Day/Yr.)

FROM 03/31/2014 TO 03/31/2015 12:01 A.M. Standard Time at your mailing address shown above.

ITEM 3. LIMITS OF LIABILITY

**\$ 5,000,000 Each Occurrence
\$ 5,000,000 General Aggregate
\$ 5,000,000 Products-Completed Operations Aggregate**

ITEM 4. SCHEDULE OF UNDERLYING INSURANCE

See attached schedule.

ITEM 5. PREMIUM

**Advance Premium: \$46,644 Rate: \$FLAT Premium Basis: N/A
Minimum Premium: \$11,661 Estimated Exposure: N/A
Audit Period (annual unless noted): N/A Policy Minimum at Audit: \$ N/A
Total Due: \$ 46,644**

ITEM 6. FORMS AND ENDORSEMENTS ATTACHED AND MADE A PART OF THIS POLICY AT ISSUE

See Attached Schedule of Endorsements

ng 4/3/2014

Countersigned by  _____
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL COVERAGE SCHEDULE OF ENDORSEMENTS

The following is a listing of endorsements by Form Number and Title that form a part of the policy at issue:

CEE-319(03/06)	Schedule of Underlying Insurance
MXL-131(02/05)	Commercial Excess Liability Policy
CUP-344(05/02)	Designated Ongoing Operations
MAN-RSR-368(04/13)	AMENDMENT OF DEFINITION OF INSURED
CEE-244(11/91)	Discrimination Exclusion
CEE-283(11/91)	Minimum Earned Premium Agreement
CEE-310(11/91)	Property Damage Limitation Real Property
CEE-357(05/12)	Pollution Exclusion
CEE-396(11/01)	Continuous or Progressive Injury and Damage Exclusion
CEE-397(12/01)	Breach of Contract Exclusion
CEE-402(03/00)	Property Damage Limitation - Personal Property
CEE-419(05/06)	Mold, Mildew and Fungus Exclusion
CEE-431(07/11)	New York Changes
CEE-601(09/12)	Exclusion Of Coverage Subject To Sublimits
CUE-600(12/12)	Exclusion - Residential Developments
CUE-601N(08/13)	Contractors - Conditions of Coverage
CUE-604(05/04)	Amendment - Cancellation Provision
CUP-437(10/03)	Absolute Silica Exclusion
RIL-099(01/01)	Service of Suit Endorsement
RIL-2126(11/09)	Exclusion - Terrorism

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF UNDERLYING INSURANCE

Issued to: **Spray Force Systems Inc**

<u>TYPE OF COVERAGE</u>	<u>CARRIER, POLICY NUMBER AND TERM</u>	<u>LIMITS OF LIABILITY</u>
CGL/Products	Gemini On File 3/31/14 to 3/31/15	\$1,000,000 ea occ \$2,000,000 gen agg \$2,000,000 p/co agg

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

COMMERCIAL EXCESS LIABILITY POLICY

(Occurrence Form)

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. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as an insured person under the terms of the **underlying insurance**.

Other words and phrases that appear in bold print have special meaning. Refer to **SECTION II. DEFINITIONS**.

In consideration of the payment of premium, in reliance upon the statements in the Declarations and Schedule of Underlying Insurance which are made a part of this policy, and subject to the terms, conditions and exclusions of this policy we agree with you as follows:

I. INSURING AGREEMENT

A. Coverage

Subject to the other provisions of this policy, we will pay on behalf of the insured the insured's **ultimate net loss** if such loss results from an occurrence insured by **underlying insurance**. However, the insurance afforded by this policy shall apply: (a) only in excess of the **underlying insurance**; (b) only after the **underlying insurance** has been exhausted by payment of the limits of liability of such insurance; and (c) only if caused by an occurrence which takes place during the policy period and anywhere in the world; provided however, if suit is brought, such suit is brought in the United States, its territories or possessions, or Canada. If the **underlying insurance** does not pay a loss, for reasons other than exhaustion of an aggregate limit of liability, then we shall not pay such loss.

This policy, except where provisions to the contrary appear herein, is subject to all of the conditions, agreements, exclusions, and limitations of and shall follow the underlying insurance in all respects. This includes changes by endorsement.

B. Defense And Expense Of Claims And Suits

1. We shall not be obligated to assume charge of or participate in the settlement or defense of any claim made, or suit brought, or proceedings instituted against the insured. However, we shall have the right and opportunity to be associated with the insured in the defense of any claim, suit or proceeding which, in our opinion, may create liability under the terms of this policy. If we assume such right and opportunity, we shall not continue to defend or participate in the defense of any claim or suit after the applicable limit of liability of this policy has been exhausted.
2. We shall not pay any expenses except as follows:
 - a. If the insured is legally liable for interest which accrues on a judgment after the entry of the judgment and before we have paid, offered to pay, or deposited in court the amount of the judgment to which this policy applies, then we will pay the interest on the amount of the judgment to which this policy applies.
 - b. If an expense is incurred directly by us and solely at our discretion, then we will pay such expense.
 - c. If a payment for damages is made under this policy, then we will pay related pre-judgment interest for which the insured is legally liable, provided:
 - (1) The **underlying insurance** pays pre-judgment interest; and
 - (2) Our share of pre-judgment interest shall not exceed the proportion that payment for damages under this policy bears to the total damages determined by final judgment or settlement.
3. Subject to all of the foregoing:

- a. If the defense expense payments are included within the limit of liability of the **underlying insurance** by the terms of that policy, then any such expense payment we make shall reduce the limit of liability of this policy.
- b. If the **underlying insurance** does not include defense expense payments within its limit of liability by the terms of that policy, then any such expense payment we make shall not reduce the limit of liability of this policy.

C. Limits Of Liability

- 1. The limit of liability stated in the Declarations as applicable to "each occurrence" shall be the total limit of our liability for all **ultimate net loss** sustained by any one person or as the result of any one occurrence as applied to the appropriate coverage.
- 2. Subject to the limit of liability for "each occurrence":
 - a. The limit of liability stated in the Declarations as "general aggregate" is the most we will pay during each policy period for all **ultimate net loss**, except **ultimate net loss** because of injury and damage included in the "products-completed operations hazard"; and
 - b. The limit of liability stated in the Declarations as "products-completed operations aggregate" is the most we will pay during each policy period for all **ultimate net loss** because of injury and damage included in the "products-completed operations hazard."
- 3. This insurance shall apply only as excess of the **underlying insurance** limits of liability shown in the Declarations. However, if the limit of liability of the **underlying insurance** shown in the Declarations has been reduced or exhausted because of payments for an occurrence which took place during our policy period, then this policy shall apply as excess of such reduced limit of liability of the **underlying insurance**.

II. DEFINITIONS

- A. **Ultimate net loss** means all sums actually paid, or which the insured is legally obligated to pay, as

damages in settlement or satisfaction of claims or suits for which insurance is afforded under this policy, after proper deduction for all recoveries or salvage.

Ultimate net loss shall include defense expense payments made by the insurer of the **underlying insurance**, provided that such expenses are included within the limit of insurance of the **underlying insurance** by the terms of that policy.

- B. **Underlying insurance** means the policy or policies of insurance in the Schedule of Underlying Insurance.

III. EXCLUSIONS

Regardless of whether or not such coverage is afforded by any **underlying insurance**, this policy does not apply:

A. Pollution

- 1. Advertising injury, bodily injury, personal injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:
 - a. That are, or that are contained in any property that is:
 - (1) Being moved from the place where such property or pollutants are accepted by an insured for movement into or onto an automobile;
 - (2) Being transported or towed by an automobile;
 - (3) Otherwise in the course of transit by or on behalf of an insured;
 - (4) Being stored, disposed of, treated or processed in or upon an automobile; or
 - (5) Being moved from an automobile to the place where such property or pollutants are finally delivered, disposed of or abandoned by an insured;
 - b. 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;

- c. 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;
- d. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom any insured may be legally responsible; or
- 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;
 - (1) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
 - (2) 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.

Paragraphs **1.a.(4)** and **1.b.** through **1.e.** above do not apply to fuels, lubricants, fluids, exhaust gases or other similar pollutants that are needed for or result from the normal electrical, hydraulic or mechanical functioning of an automobile or its parts, if the pollutants escape, seep or migrate or are discharged, dispersed or released directly from an auto part designed by its manufacturer to hold, store, receive or dispose of such pollutants.

Paragraphs **1.b.** through **1.e.** above do not apply to pollutants not in or upon an automobile if:

- a. The pollutants or any property in which the pollutants are contained are upset, overturned or damaged as a result of the maintenance or use of an automobile;
- b. The discharge, dispersal, seepage, migration, release or escape of the pollutants is caused directly by such upset, overturn or damage; and

- c. The bodily injury or property damage is not otherwise excluded under Paragraph **1.a.** of this exclusion.

Paragraph **1.e.(1)** above does not apply to 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 fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

Paragraphs **1.b.** and **1.e.(1)** above do not apply to bodily injury or property damage arising out of heat, smoke or fumes from a hostile fire.

- 2. Any loss, cost or expense arising out of any:
 - a. Request, demand or order that any insured or others test for, monitor, clean up, remove, 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 any governmental authority or others 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.

As used in this exclusion:

- 1. Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be; and
- 2. Pollutants means 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, reclaimed or disposed of.

B. Nuclear Energy Liability Exclusion (Broad Form)

This policy does not apply:

1. Under any Liability Coverage, to ultimate net loss:
 - a. 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 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.
2. Under any Medical Payment Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **ultimate net loss** resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization;
3. Under any Liability Coverage, to **ultimate net loss** resulting from the 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 loss 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. If such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **3.** applies only to **ultimate net loss** to such nuclear facility and any property thereat.

As used in this policy:

Hazardous properties include 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 (1) containing by-product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under Paragraph (a) or (b) thereof;

Nuclear facility means:

- (a) Any nuclear reactor;
- (b) Any equipment or device designed or used for: (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste;

(c) Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste;

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

Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

Ultimate net loss includes all forms of radioactive contamination of property.

C. Asbestos – to any and all liability for bodily injury, sickness or disease, sustained by a person, including death at any time resulting therefrom, or for any occupational disease, or for property damage, for past, present or future claims arising in whole or in part, either directly or indirectly, including but not limited to claims arising from the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, or exposure to, asbestos or products containing asbestos. This exclusion applies whether or not the asbestos is or was at any time airborne as fiber or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion, or found in any form whatsoever.

IV. CONDITIONS

A. Appeal – In the event you or any underlying insurer elect not to appeal a judgment in excess of the amount of any **underlying insurance**, we

may elect to appeal. Our limit of liability shall not be increased because of such appeal. Any appeal we elect to make will be at our cost and expense.

B. Assignment – Your interest in this policy may not be transferred to another; except by an endorsement issued by us which gives our consent. If you die, this policy shall apply: (1) to your legal representative, but only while acting within the scope of their duties as such; and (2) with respect to your property, to the person having proper temporary custody as an insured, but only until the appointment and qualification of the legal representative.

C. Changes – This policy may be changed only by an endorsement issued to form a part of the policy. Any endorsement must be signed by our duly authorized representative. Notice to you or to our agent or knowledge possessed by us, by our agent or by any other person shall not affect a waiver or a change in any part of this policy. Nor will such notice or knowledge prevent us from asserting any right under the terms of this policy.

D. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us or any of our authorized agents 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. Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. Sixty (60) 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 will

be computed at ninety percent (90%) of 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.

E. Duties In The Event Of Occurrence, Claim Or Suit

You must see to it that we receive prompt written notice of an occurrence which may result in a claim under this policy. Notice should include how, when and where the occurrence took place. The names and addresses of any injured persons and witnesses must be included.

If a claim is made or suit brought against any insured, you must see to it that we receive prompt written notice of the claim or suit.

You and any other insured involved 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, settlement, or defense of the claim or 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.

It is a requirement of this policy that you do not make any admission of liability. You shall not, unless we agree, incur any expense or make any payment. If you do, such liability, expense or payment will be at your own cost.

F. Bankruptcy Of The Underlying Insurer – In the event of the bankruptcy or insolvency of the insurer of any **underlying insurance**, the insurance afforded by this policy shall not replace such **underlying insurance**. Rather, this policy shall apply in the same manner as though such **underlying insurance** were available and collectible.

G. Maintenance Of Underlying Insurance – You agree to maintain all **underlying insurance** in full force and effect as scheduled in the Schedule of

Underlying Insurance at the inception of this policy and during our policy period except for reduction of aggregate limits of liability by payment of losses. If any **underlying insurance** is not maintained in full effect by the insured, or if there is any material change in the terms, conditions or scope of coverage, by endorsement or otherwise, of any **underlying insurance**, the insurance afforded by this policy shall apply in the same manner as though such underlying insurance had been in full effect, so maintained and unchanged. You agree to notify us promptly if any **underlying insurance** is cancelled or terminated.

H. Premium – Premiums for this policy shall be stated in the Declarations and computed in accordance with our rules, rates, rating plans, premiums, and minimum premiums applicable to this insurance. If this policy is issued for a period in excess of one year, the premium for this policy may be revised on each annual anniversary. Any such revision will be in accordance with our manuals in effect at that time.

If the policy is issued on other than an audit basis, the Advance Premium becomes the policy premium, subject to the Minimum Premium shown in the Declarations.

If the policy is issued on an audit basis, the premium designated on the Declarations page as Advance Premium shall be credited to the amount of earned premium due at the end of the policy period. At the close of each audit period, the earned premium shall be computed for such period. Upon notice to you, it shall become due and payable. If the total earned premium exceeds the Advance Premium previously paid, the amount by which the earned premium exceeds the Advance Premium shall be due and payable to us by you. In no case shall the earned premium be less than the Minimum Premium shown on the Declarations page.

You shall maintain records of such information as is necessary for premium computation. You shall send copies of such records to us at the end of this policy period. You shall also send us copies of such records at such times during the policy period as we may direct.

I. Legal Action Against Us – No legal action shall be brought against us unless the insured has fully complied with all terms of this policy. In addition,

no legal action shall be brought against us until the amount of the insured's obligation to pay has been finally determined. The insured's obligation to pay must be finally determined either by judgment against the insured after actual trial or by written agreement between us, the insured and the claimant.

J. Conformity – Terms of this policy which are in conflict with the laws of the state wherein this policy is issued are hereby amended to conform to such laws.

K. Other Insurance – If other insurance, whether collectible or not, is available to the insured covering a loss also covered by this policy, other than insurance that is specifically excess of the insurance afforded by this policy, the insurance afforded by this policy shall be in excess of, and shall not contribute with, such other insurance.

L. Subrogation – In the event of any payment under this policy, the insured must notify us of any of the insured's rights of recovery against any person or organization. We shall be subrogated to all such rights. 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 loss to prejudice such rights.

Any amount recovered through subrogation or otherwise shall be apportioned in the inverse order of payment of the claim or claims involved to the extent of actual payment thereof by all interests. The expenses of all such recoveries and proceedings in connection therewith shall be apportioned in the ratio of respective recoveries. With respect to proceedings conducted solely by us, if there is no recovery, we will bear the expense thereof. If there is a recovery, we shall be reimbursed in full from such recovery for the amount of all expenses incurred by us before apportionment of such recovery as herein provided.

M. Salvage – All salvage, recoveries, or payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to such settlement. All necessary adjustments shall then be made between the insured and us. Nothing in this clause shall be construed to mean that losses under this policy are not recoverable until the insured's ultimate net loss has been finally ascertained.

N. Inspection And Audit – We shall be permitted but not obligated to inspect your property and operations at any time. Neither our rights to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of you or others, to determine or warrant that such property or operations are safe.

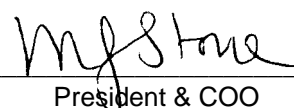
We may examine and audit your books and records at any time during the policy period and extensions thereof and within three (3) years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

O. Separation Of Insureds – Except with respect to the limits of liability this insurance applies as if each Named Insured were the only Named Insured and separately to each insured against whom claim is made or suit is brought.

P. Payment Of Loss – It is a condition of this policy that the insurance afforded under this policy shall apply only after the underlying insurance has been exhausted by payment of its limits of liability. Upon final determination by settlement, award or verdict of the liability of the insured, we will promptly pay you as you shall pay, or be required to pay, the amounts of any losses falling within the terms or limits of this insurance. All losses covered under this policy shall be due and payable by us within thirty (30) days after they are respectively claimed and proof of loss filed with us in conformity with this policy. Bankruptcy or insolvency of the insured shall not relieve us of any of our obligations hereunder.

IN WITNESS WHEREOF, we have caused this policy to be signed by our President and Secretary. However, the same shall not be binding upon us unless it has been countersigned on the Declarations page by a duly authorized agent of ours.


Corporate Secretary


President & COO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED ONGOING OPERATIONS

SCHEDULE

Description Of Designated Ongoing Operations:

Exterior work above ground level, interior work over 20 feet above the floor, whether performed by the insured or by subcontractors on the insured's behalf.

Specified Location (If Applicable):

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

This insurance does not apply to "bodily injury" or "property damage" arising out of ongoing operations described in the Schedule of this endorsement, regardless of whether such operations are conducted by you or on your behalf or whether the operations are conducted for yourself or for others.

Unless a "location" is specified in the Schedule, this exclusion applies regardless of where such operations are conducted by you or on your behalf. If a specific "location" is designated in the Schedule of this endorsement, this exclusion applies only to the described ongoing operations conducted at that "location."

For the purpose of this endorsement, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF DEFINITION OF INSURED FOR UNDERLYING ADDITIONAL INSUREDS

This endorsement modifies insurance provided under the following:

EXCESS POLICY
COMMERCIAL EXCESS LIABILITY POLICY
COMMERCIAL EXCESS UMBRELLA LIABILITY POLICY

The definition of insured is amended to add the following:

A person or organization who is an additional insured under the **underlying insurance** qualifies as an insured under this policy only if such person and the Named Insured shown in the Declarations entered into a written agreement signed by both parties prior to the date of loss requiring additional insured coverage for such person or organization under the Named Insured's commercial general liability coverage. Furthermore, such person or organization is an insured under this policy only for **ultimate net loss** caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOLD, MILDEW AND FUNGUS EXCLUSION

In consideration of the premium for which this policy is issued, this insurance does not apply to, and we are not obligated to defend, any loss, demand, claim, cost, expense, **suit, bodily injury, property damage, personal injury**, medical payments, liability or other proceeding that in any way, in whole or in part, arises out of, relates to, or results from mold, mildew or fungus.

As used in this exclusion, mold, mildew and fungus include:

- (1)** The actual, alleged or threatened exposure to, consumption, ingestion of, inhalation of, contact with, absorption of, existence of, or presence of, mold, mildew or fungus in any manner or form whatsoever, including without limitation mold, mildew, fungus, yeast, spores, mycotoxins, endotoxins, or other pathogens, as well as any odors, particulates or by-products of any of the foregoing, either directly or indirectly;
- (2)** The actual or alleged failure to warn, advise or instruct regarding mold, mildew or fungus in any manner or form whatsoever; or
- (3)** The actual or alleged failure to prevent exposure to mold, mildew or fungus in any manner or form whatsoever.

This exclusion applies regardless of whether any other cause, event, material, product or condition, including but not limited to water damage or water intrusion, contributed concurrently or in any sequence to such loss, demand, claim, cost, expense, **suit, bodily injury, property damage, personal injury**, medical payments or liability.

This exclusion includes but is not limited to compliance with any request, demand, order, or statutory or regulatory requirement, or any action authorized or required by law, or any loss, cost or expense arising out of or relating to the investigation of, abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, loss of use, diminution in value, loss of market value, or in any way responding to, or assessing the effects of mold, mildew or fungus, as well as any costs, fees, expenses, penalties, judgments, fines, or sanctions arising from or relating thereto.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY
EXCESS LIABILITY (FOLLOWING FORM)
EXCESS UMBRELLA LIABILITY
COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to any loss, claim, "suit" or other proceeding which alleges "Bodily Injury," "Property Damage," "Personal And Advertising Injury" caused directly or indirectly by or arising from "Terrorism."

"Terrorism" includes but is not limited to:

- A.** Acts or threatened acts of violence, hostility or criminal conduct by a foreign or domestic enemy, whether or not war has been declared;
- B.** The disruption or threatened disruption of financial, governmental, transportation, communication, computer or utility services which appears to be for political, religious, economic, ecological or racial ends;
- C.** The use or threatened use of force, violence or criminal conduct which appears to be for political, religious, economic, cultural, ethnic, ecological or racial ends;
- D.** The use or threatened use of force, violence or criminal conduct for the apparent purpose of or with the result of harming or intimidating a civilian population;
- E.** The use or threatened use of biological or chemical or nuclear substances for the apparent purpose of or with the result of harming or intimidating a civilian population;
- F.** Any act or threatened act of force, violence or criminal conduct by any person or persons acting on behalf of or in connection with any organization with a stated goal of overthrowing or influencing the policy of any government, whether lawful or otherwise; or
- G.** Any act or threatened act of force, violence or criminal conduct which has been labeled, identified or described as a terrorist act by the executive branch of the United States government.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISCRIMINATION EXCLUSION

It is agreed that this policy does not apply to any liability resulting from discrimination based on, but not limited to, race, color, creed, sex, religion, age, national origin, handicap or sexual preference, etc., whether or not for alleged violation of any federal, state or local governmental law or regulation prohibiting such discrimination.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM AGREEMENT

It is understood and agreed that in the event this policy is cancelled at the request of the Named Insured, or for nonpayment of premium, the Minimum Premium (as shown on the policy Declaration page), or the earned premium, whichever is greater, shall be charged.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY DAMAGE LIMITATION REAL PROPERTY

It is agreed that this policy shall not apply to any liability for **property damage** to real property:

1. Owned or occupied by or rented to an **insured**;
2. Used by an **insured**; or
3. In the care, custody or control of an **insured** or as to which an **insured** is for any purpose exercising physical control.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLLUTION EXCLUSION

This insurance does not apply to:

- 1. Bodily injury, property damage, personal injury, or advertising injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**; or
- 2. Any loss, cost or expense arising out of any:**
 - a. Request, demand or order that any insured or others test for, monitor, clean up, remove, 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 any person, organization or 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.**

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, airborne fibers, fumes, acids, alkalis, chemicals and **waste**. **Waste** includes materials to be recycled, reconditioned or reclaimed. **Pollutants** also include electromagnetic fields and electromagnetic radiation across the entire frequency spectrum.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTINUOUS OR PROGRESSIVE INJURY AND DAMAGE EXCLUSION

This insurance does not apply to any damages because of or related to **bodily injury, property damage or personal injury**:

1. Which first existed, or alleged to have first existed, prior to the inception date of this policy; or
2. Which are, or are alleged to be, in the process of taking place prior to the inception date of this policy, even if the actual or alleged **bodily injury, property damage or personal injury** continues during this policy period; or
3. Which were caused, or are alleged to have been caused, by the same condition which resulted in **bodily injury, property damage or personal injury** which first existed prior to the inception date of this policy.

We shall have no duty to defend any **insured** against any loss, claim, **suit**, or other proceeding alleging damages arising out of or related to **bodily injury, property damage or personal injury** to which this endorsement applies.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BREACH OF CONTRACT EXCLUSION

This insurance does not apply, nor do we have a duty to defend any claim or **suit** for **bodily injury, property damage, personal injury or advertising injury** arising directly or indirectly out of the following:

1. Breach of express or implied contract;
2. Breach of express or implied warranty;
3. Fraud or misrepresentation regarding the formation, terms or performance of a contract; or
4. Libel, slander or defamation arising out of or within the contractual relationship.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Commercial Excess Liability
Commercial Excess Umbrella Liability

PROPERTY DAMAGE LIMITATION – PERSONAL PROPERTY

This insurance does not apply to any liability for **property damage** to personal property:

1. Owned by, leased, or rented to an **insured**;
2. Used by an **insured**; or,
3. In the care, custody or control of an **insured** or as to which an **insured** is for any purpose exercising physical control.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY POLICY
COMMERCIAL EXCESS UMBRELLA LIABILITY POLICY

A. Paragraph I. of SECTION IV. CONDITIONS is replaced by the following:

I. Legal Action Against Us

1. Except as provided in Paragraph 2., no legal action shall be brought against us unless the insured has fully complied with all terms of this policy. In addition, no legal action shall be brought against us until the amount of the insured's obligation to pay has been finally determined. The insured's obligation to pay must be finally determined either by judgment against the insured after actual trial or by written agreement between us, the insured and the claimant.
2. With respect to bodily injury and personal and advertising injury claims, if we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within sixty (60) days after we deny coverage or do not admit liability, we or an insured:

- a. Brings an action to declare the rights of the parties under the policy; and
- b. Names the injured person, someone acting for the injured person or other claimant as a party to the action.

B. The following provision is added and supersedes any provision to the contrary:

Failure to give notice to us as required under this policy shall not invalidate any claim made by the insured, injured person or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF COVERAGE SUBJECT TO SUBLIMITS OR OTHER REDUCED LIMITS IN UNDERLYING INSURANCE

This policy does not apply to **ultimate net loss** insured by **underlying insurance** if such **ultimate net loss** is subject under the **underlying insurance** to any sublimit or any other limit less than the per-occurrence limit for the **underlying insurance** set forth in the Schedule of Underlying Insurance herein, including any limits in the **underlying insurance** that are reduced as a result of any insured's failure to comply with any requirements or conditions of coverage set forth in the **underlying insurance**.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – RESIDENTIAL DEVELOPMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY POLICY
COMMERCIAL EXCESS UMBRELLA LIABILITY POLICY
EXCESS POLICY

This insurance does not apply, and we are not obligated to defend any loss, claim, suit or other proceeding for property damage arising from your work on or your products used in residential developments.

As used in this endorsement:

"Residential development" means but is not limited to single family dwellings, condominiums, townhouses, cooperatives, timeshares, mixed-use buildings which contain both residential units and commercial space, or any development or project converted for individual or collective resident ownership at any time prior to, during, or after the policy period with or without your knowledge. "Residential development" also includes all appurtenant structures and common areas, including coach houses, driveways, retaining walls, detached garages, sewer lines, parking lots, fences, swimming pools, grading of lots, and landscaping.

Exceptions:

We will cover claims arising from your work or your product in the following circumstances:

- (1)** The work is performed on or your product is used in "residential developments" done for the individual dwelling owner, if the individual dwelling and its improvements were completed and certified for occupancy prior to the commencement of your work or use of your product, or;
- (2)** Your work is performed on or your product is used in apartments, including mixed-use apartment buildings. This apartment exception does not apply to buildings (including mixed-use) with condominiums, townhouses, or timeshares that have been converted into rental units or are rented to others. The apartment exception does not extend coverage for your work on or your product used in any apartment building (including mixed-use) if any portion of the building is converted into condominiums, townhomes, timeshares, or co-operatives at any time prior to, during, or after the policy period with or without your knowledge.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS – CONDITIONS OF COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY POLICY
COMMERCIAL EXCESS UMBRELLA LIABILITY POLICY

Regardless of whether or not such coverage is afforded by any **underlying insurance**, this policy does not apply to **ultimate net loss** arising directly or indirectly from work by a "contractor" unless each and every of the following conditions is satisfied:

1. Certificates of insurance are obtained from each and every "contractor" prior to commencement of such "contractor's" work. Such certificates of insurance must list primary commercial general liability coverage in effect at all times the work is performed with limits equal to or greater than the commercial general liability policy(ies) in the Schedule of Underlying Insurance.
2. Written agreements are obtained from each and every "contractor" which hold harmless and indemnify the insured(s) against whom the claim is made for all injuries, damages, claims, and suits arising directly or indirectly from the "contractor's" work (including any work performed by the "contractor's" subcontractors or sub-subcontractors). Such agreements must expressly provide indemnification to the maximum extent permitted by law. Such agreements must be signed by the parties to the agreement prior to the occurrence.
3. The written agreements required in condition 2. must also require that the "contractor" will obtain additional insured coverage under the "contractor's" primary commercial general liability policy for each insured(s) against whom the claim is made. Such agreements must be signed by the parties to the agreement prior to the date of the occurrence. Such agreements must require limits of additional insured coverage equal to or greater than the limits of the commercial general liability policy(ies) in the Schedule of Underlying Insurance. Such agreements must state that the additional insured coverage is to be primary and noncontributory.
4. The "contractor's" primary commercial general liability insurer agrees to defend and indemnify every insured against whom the claim is made for the bodily injury, property damage, and/or personal and advertising injury, and does so on a primary basis under a policy with limits equal to or greater than the limits of the commercial general liability policy(ies) in the Schedule of Underlying Insurance.

"Contractor" means any person or entity that any insured hires or contracts with for the performance of any work for construction, renovations, maintenance (including, but not limited to, snow removal), or repairs, regardless of where such work is performed, and regardless of whether such person or entity is described as a contractor, construction manager, general contractor, or subcontractor, or by any other term.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT – CANCELLATION PROVISIONS

The **Cancellation** provisions under the policy Conditions are amended as follows:

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us or any of our authorized agents advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation:
 - a. At least ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. Equal to the number of days of cancellation of any underlying policy, but not to exceed sixty (60) 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 will be computed at ninety percent (90%) of 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.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE SILICA EXCLUSION

It is agreed that:

1. This policy does not apply to "bodily injury," "property damage," or "personal and advertising injury" in any way or to any extent arising out of or involving silica, silica particles or dust, or any product containing silica or used to control silica, or any product or action used or taken to protect any person from exposure to silica in any form.
2. This policy does not apply to "economic loss," "diminution of property," "abatement costs," or any other loss, cost, or expense including "equitable relief," in any way or to any extent arising out of or involving silica, silica particles or dust, or any product containing silica or used to control silica or any product or action used or taken to protect any person from exposure to silica in any form.
3. This policy provides no coverage for any fees, costs, or expenses of any nature whatsoever in the investigation or defense of any claim or "suit" arising out of or involving silica, silica particles or dust, or any product containing silica or used to control silica or any product or action used or taken to protect any person from exposure to silica in any form.

For the purpose of this exclusion only, the following additional terms are defined:

"Abatement costs" means any actual or potential damages, costs, fees, or expenses, including the costs of inspection, removal or replacement.

"Diminution of property" means the diminishing or lessening in value of property.

"Economic loss" means any actual or potential damages, costs, fees, expenses, or lost profits arising out of or involving the manufacture or utilization of a good or product.

"Equitable relief" means any remedy or relief, including restitution or injunctive relief, sought in a court with equitable powers.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Mt. Hawley Insurance Company

Peoria, Illinois 61615

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT ENDORSEMENT

It is understood and 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 a court of competent jurisdiction within the United States of America. The foregoing shall not constitute a waiver of the right of the Company to remove, remand or transfer such suit to any other court of competent jurisdiction in accordance with the applicable statutes of the state or United States pertinent hereto. In any suit instituted against them upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

It is further agreed that service of process in such suit may be made upon the Superintendent, Commissioner, or Director of Insurance or other person specified for that purpose in the statute or his successor or successors in office as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Named Insured or any beneficiary hereunder arising out of this contract of insurance.

The Company hereby designates Michael J. Stone, President,

Mt. Hawley Insurance Company

9025 N. Lindbergh Drive, Peoria, Illinois 61615 as the person to whom the said Superintendent, Commissioner, or Director of Insurance is authorized to mail such process or a true copy thereof, in compliance with the applicable statutes governing said service of process in the state or jurisdiction in which a cause of action under this contract of insurance arises.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.