PHILADELPHIA
INSURANCE COMPANIES

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004
610.617.7900 • Fax 610.617.7940 • PHLY.com

November 19, 2009

West Cove A Condominium Association
C/O Belle Terre Property Management
PO BOX 297
GRANTHAM NH 03753-0297

RE: PHUB290659

Dear Valued Customer:

I wanted to personally thank you for choosing Philadelphia Insurance Companies (PHLY) for your insurance needs. Our first class customer service, national presence and A+ (Superior) A.M. Best financial strength rating have made us *the* selection by over 150,000 policyholders nationwide. I realize you have a choice in insurance companies and truly appreciate your business.

I wish you much success this year and look forward to building a mutually beneficial business partnership which will prosper for years to come. Welcome to PHLY and please visit our website to learn more about our Company!

Sincerely,

James J. Maguire, Jr.
President & CEO
Philadelphia Insurance Companies

JJMJr/sm

Philadelphia Insurance Companies

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004

Commercial Excess Liability Policy

CXL 001 (6/92)

Philadelphia Insurance Companies
One Bala Plaza, Suite 100, Bala Cynwyd, PA 19004
610.617.7900 Fax 610.617.7940
www.phly.com

COVERAGE IS PROVIDED BY THE COMPANY CHECKED BELOW: Policy Number: PHUB290659

[X] Philadelphia Indemnity Insurance Company (PIIC)

[ ] Philadelphia Insurance Company (PIC)

COMMERCIAL EXCESS LIABILITY DECLARATIONS

NAMED INSURED: West Cove A Condominium Association

MAILING ADDRESS: C/O Belle Terre Property Management
PO BOX 297
GRANTHAM NH 03753-0297

POLICY PERIOD:
From: 01/01/2010 To: 01/01/2011 at 12:01 A.M. Standard Time at your mailing address shown above.

Form of Business: Corporation

Business Description: CONDOMINIUM

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

LIMITS OF LIABILITY

Item 1.	$	10,000	Retained Limit
Item 2.	$	1,000,000	Each Occurrence
Item 3.	$	1,000,000	General Aggregate Limit
Item 4.	$	1,000,000	Products / Completed Operations to Aggregate

Retroactive Date: N/A if shown, applicable only to Non Profit D&O Liability
(Applicable when underlying General Liability Insurance is written on a claims-made basis.)

Policy Premium: $750.00

Forms Applicable:

PI-CXL-025 (4/95)
PI-CXL-NH-1 (6/04)
PI-CXL-004 (6/92)
PI-CXL-006 (6/92)
PI-CXL-007 (6/92)
PI-CXL-009 (6/92)
PI-CXL-010 (6/92)
PI-CXL-014 (9/94)
PI-CXL-032 FB (11/02)
PI-CXL-039 (1/03)
PI-CXL-001 (6/92)

PROPOSED SCHEDULE A - SCHEDULE OF PRIMARY INSURANCE

This Schedule forms a part of your Excess Policy No PHUB290659. If attached after the policy is issued, state effective date of this amended schedule.

A. [X] Automobile [ ] Garage Liability [ ] Excluded

Carrier: PIIC

Dates: 01/01/10 to 01/01/11 Policy # PHPK498428

Combined Bodily Injury & Property Damage Single Limit: $ 1,000,000 Each Accident

Split Limits: Bodily Injury Liability

$ Each Person

$ Each Accident

Property Damage Liability

$ Each Accident

B. General Liability

Carrier: PIIC

Dates: 01/01/10 to 01/01/11 Policy # PHPK498428

[ ] Comprehensive General Liability

[ ] Combined Bodily Injury & Property Damage Liability

$ Each Occurrence

$ Aggregate Products / Completed Ops

$ Aggregate Contractual

$ Aggregate Independent Contractors

$ Aggregate (Other)

[ ] Split Limits

Bodily Injury Liability

$ Each Occurrence

$ Aggregate Products / Completed Ops

$ Aggregate (Other)

Property Damage Liability

$ Each Occurrence

$ Aggregate Premises / Ops

$ Aggregate Contractual

$ Aggregate Independent Contractors

$ Aggregate Products / Completed Ops

$ Personal Injury Liability

$ Aggregate (Other)

[X] Commercial General Liability

[X] Occurrence Basis

[ ] Excluded

[ ] Claims Made

General Aggregate Limit (Other than Prod / Completed Ops)	$ 3,000,000
Prod / Completed Ops Aggregate Limit	$ 3,000,000
Personal and Advertising Injury Limit	$ 1,000,000
Each Occurrence Limit	$ 1,000,000

Defense Costs: [ ] Subject to Aggregate Limit [X] Not Subject To Aggregate Limit

C. [ ] Employers' Liability [X] Excluded Policy #

Carrier: Dates: to

Bodily Injury by Accident $ Each Accident

Bodily Injury by Disease $ Policy Limit

Bodily Injury by Disease $ Each Employee

D. Other Coverages (Other than those covered by above policies)

	Occurrence	Aggregate	Company	Policy#	Dates
[ ] Professional Liability	$	$			to
[ ] EBL	$	$			to
[ ] Abuse and Molestation	$	$			to
[ ] Non Profit D&O Liability	$	$			to
[ ] EPLI	$	$			to
[ ] EPLI/D&O Shared Limits	$	$			to
[ ] Liquor Liability	$	$			to
[ ] Owned Watercraft	$	$			to

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIQUOR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY

This insurance does not apply to any liability for which any insured may be held liable by reason of:

1. Causing or contributing to the intoxication of any person;
2. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
3. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if any insured:

1. Manufactures, sells or distributes alcoholic beverages;
2. Serves or furnishes alcoholic beverages for a charge whether or not such activity:
   a. requires a license;
   b. is for the purpose of financial gain or livelihood; or
3. Serves or furnishes alcoholic beverages without a charge, if a license is required for such activity.

New Hampshire Amendatory Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided by the following:

Commercial Excess Liability Policy

A. It is hereby agreed and understood that Section IV - Conditions, 3. Cancellation is deleted and replaced with the following:

3. Cancellation and Nonrenewal
   A. The Company may cancel this Policy by mailing to the first named insured written notice of cancellation, stating the reasons for cancellation, at least:
      (1) 10 days before the effective date of cancellation if the Company cancels for:
         (a) Nonpayment of premium; or
         (b) Substantial increase in hazard;
      (2) 60 days before the effective date of cancellation if the Company cancels for any other reason.
   B. If this Policy has been in effect for 60 days or more, or if this is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons:
      (1) Nonpayment of premium;
      (2) Fraud or material misrepresentation affecting the Policy or in the presentation of a claim thereunder, or violation of any of the terms or conditions of the Policy; or
      (3) Substantial increase in the hazard; provided the cancellation for this reason shall be effective only after prior approval by the Commissioner.
   C. We will mail or deliver our notice to the first named insured's last mailing address known to the Company. If notice is mailed, it will be by:
      (1) Certified mail or certificate of mailing if cancellation is for nonpayment of premium.
      (2) Certified mail if cancellation is for any other reason.
   D. If the Company elects not to renew this Policy, the Company will mail or deliver written notice of nonrenewal, stating the reasons for nonrenewal, to the first named insured's last mailing address known to the Company at least 60 days prior to the expiration of the Policy, or its anniversary date if it is a policy written for a term of more than one year. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. It is hereby agreed and understood that Section I. 3.Exclusion (b) is deleted and replaced with the following:

(b) Any obligation imposed by law under any automobile no-fault, workers compensation, disability benefits or unemployment compensation law or any similar law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DIRECTORS AND OFFICERS LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY

This insurance does not apply to any liability arising from any "wrongful act" of any director or officer of the insured in the discharged or performance of their duties as such.

"Wrongful act" means any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by the directors or officers in the discharge of their duties, individually or collectively, or any matter claimed against them solely by reason of their being directors or officers of the company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYERS' LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY

This insurance does not apply to any liability for bodily injury, sickness, disease, disability or shock, including death at any time resulting therefrom, and, if arising out of the foregoing mental anguish or mental injury sustained by:

1. An employee of the insured arising out of and in the course of employment by the insured; or

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

This exclusion applies:

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY

This insurance does not apply to any liability arising out of:

(a) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured; or

(b) The negligent:

(i) employment
(ii) investigation
(iii) supervision
(iv) reporting to proper authorities, or failure to so report; or
(v) retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by (a) above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE LIABILITY FOLLOW FORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY

This insurance does not apply to any liability arising out of the ownership operation, maintenance, use, loading or unloading or entrustment to others of an "auto" as defined in the Commercial General Liability policy listed in the Schedule of Underlying Insurance.

This exclusion does not apply if such liability is covered by valid and collectible underlying insurance as listed in the Schedule of Underlying Insurance for the full limits shown, and then only for the liability for which coverage is afforded under the underlying insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIMPAIRED AGGREGATE LIMITS ENDORSEMENT

(NON-CONCURRENCY)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY

It is agreed that the underlying aggregate limits, where applicable, as shown on the Schedule of Underlying Insurance, shall be unimpaired at the effective date of this policy and for the purpose of the insurance provided by this policy, only occurrences taking place during the term of this policy shall be considered in determining the extent of any exhaustion of the underlying aggregate limits.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUBSIDENCE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY

This insurance does not apply to any liability, whether direct or indirect, arising out of, caused by, resulting from, contributed to or aggravated by the subsidence, settling, expansion, sinking, slipping, falling away, titling, caving in, shifting, eroding, mud flow, rising, or any other movement of land or earth if any of the foregoing emanate from the operations of the insured or any other person for whose acts the insured is legally liable.

It is further agreed that this insurance shall not become excess of any reduced or exhausted underlying aggregate limit to the extent that such reduction or exhaustion is the result of claims, damage loss or expense arising out of or in any way related to the above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY POLICY

A. The following exclusion is added to Paragraph 3. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability and Coverage B. - Personal Injury and Advertising Injury Liability:

This insurance does not apply to:

Fungi or Bacteria

a. "Bodily Injury" , "property damage" "personal Injury" or "advertising injury" which would have occurred or taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

B. The following definition is added to Section V. - Definitions

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY POLICY

With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

"Certified act of terrorism" 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 pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of $5 million; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

COMMERCIAL EXCESS LIABILITY POLICY

This policy has been issued in reliance upon the statement in the Declarations made a part hereof and in the application submitted for this insurance. Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

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

The word "insured" means any person or organization qualifying as such under SECTION II- WHO IS AN INSURED.

Words and phrases in this policy that appear in quotation marks have special meanings. Refer to Section V- definitions when such meanings are not defined when used.

Section I- Coverage

Coverage A. Bodily Injury and Property Damage Liability

Coverage B. Personal Injury and Advertising Injury Liability

1. Insuring Agreement

We will pay on behalf of the insured the "ultimate net loss" in excess of the "applicable underlying limit", whether or not collectible, which the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies caused by an "occurrence" or "personal injury" or "advertising injury" to which this insurance applies caused by an "offense" which:

(a) Occurs, or is committed during the policy period and

(b) Occurs, or is committed in the "Coverage Territory".

2. Defense of Claims or Suits and Supplementary Payments

(a) We will have no duty to defend any claim or "suit" that any other insurer has a duty to defend. If we elect to join in the defense of such claims or "suits", we will pay all expenses we incur.

(b) We will have the right and duty to defend any "suit" for damages which are payable under Coverages A or B including damages wholly or partly within the "retained limit", but which are not payable by a policy of "underlying insurance", or any other available insurance because:

(1) such damages are not covered; or

(2) the "underlying insurance" has been exhausted by the payment of claims.

(c) We may investigate and settle any claim or "suit" in (b) above at our discretion.

(d) Our right and duty in (b) above ends when we have used up the "applicable limit of insurance" in the payment of judgments or settlements.

(e) We will pay, with respect to any claims or "suits" we defend in (b) above:

(1) All expense we incur;

(2) The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the "applicable limit of insurance". We do not have to furnish these bonds.

(3) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $100 a day because of time off from work.

(4) All costs taxed against the insured in the "suit".

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

(6) All interest on the full amount of any judgment that accrues after the judgment and before we have:

(a) paid, or offered to pay; or

(b) deposited in court;

the part of the judgment that is within the "applicable limit of insurance".

These payments will not reduce the limits of insurance.

In any jurisdiction outside the United States (including its territories and possessions), Puerto Rico or Canada where we may be prevented by law or otherwise from carrying out this agreement.

(1) You must arrange to investigate, defend or settle any claim or "suit".

(2) You will not make any settlement without our consent.

(3) We will pay expenses incurred with our consent.

3. Exclusions

This insurance does not apply to:

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

(b) Any obligation imposed by law under any automobile no-fault, uninsured motorist, underinsured motorist, workers compensation, disability benefits or unemployment compensation law or any similar law.

(c) "Bodily injury" which arises out of any:

(1) Refusal to employ;

(2) Terrmination of employment;

(3) Discrimination or alleged discrimination on account of color, creed, gender, race, national origin, age, handicap, illness, religion or sexual preference;

(4) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or other employment-related practices, policies, acts or omissions; or

(5) Consequential "bodily injury" as a result of 1 through 4 above.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation of the insured to share damages with or to repay someone else who must pay damages because of the injury.

(d) Any liability directly or indirectly occasioned by, happening through, or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

(e) Any violation or allleged violation of the Employee Retirement Income Security Act of 1974 or any amendment or addition thereto or similar provisions of any federal, state, or local law.

(f) "Bodily injury", "property damage", "personal injury", or "advertising injury" for which the insured assumed liability under a contract or agreement if the damage or injury occurred prior to the effective date of the contract or agreement.

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

This exclusion does not apply to:

(1) Watercraft while ashore or premises you own or rent;

(2) Watercraft you do not own that is:

(a) less then 26 feet long; and

(b) not being used to carry persons or property for a charge.

(3) Liability assumed under any insured contract for the ownership; maintenance or use of aircraft or watercraft.

(h) "Advertising injury" arising out of:

(1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;

(2) The failure of goods, products, or services to conform with advertised quality or performance;

(3) The wrong description of the price of goods, products or services; or,

(4) An "offense" committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

(i) "Personal injury" or "advertising injury"

(1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;

(2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period. All "personal injury" or "advertising injury" arising out of publication of the same or similar material subsequent to the beginning of the policy period is also excluded; or,

(3) Arising out willful violation of a penal statute or ordinance committed by or with the consent of the insured;

(4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of a contract or agreement.

(j) "Property damage" to 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.

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

(l) "Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard." This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

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

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

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

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

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

(1) "your product";

(2) "your work";

(3) "impaired property";

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

(o) "Personal injury":

(1) To an employee of the insured arising out of and in the course of employment by the insured; or

(2) Arising out of any:

a. Refusal to employ;
b. Termination of employment;
c. Discrimination or alleged discrimination on account of color, creed, gender, race, national origin, age, handicap, illness, religion or sexual preference;
d. Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or other employment-related practices, policies, acts or omissions, or,
e. Consequential "personal injury" as a result of (a) through (d) above.

Exclusions (o), (1) and (2) apply whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

(p) "Bodily injury", "personal injury" or "property damage" arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants.

We shall have no obligation under this policy:

(1) To investigate, settle or defend any claim or suit against any insured alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the "pollution hazard"; or,

(2) To pay any damages, judgments, settlements, loss, costs or expenses that may be awarded or incurred by reason of any such claim or suit or any such injury or damage, or in complying with any action authorized by law or relating to such injury or damage.

As used in this exclusion:

"Pollution hazard" means an actual exposure or threat of exposure to the corrosive, toxic or other harmful properties of any solid, liquid, gaseous or thermal pollutants, contaminants, irritants or toxic substances, including smoke, vapors, soot, fumes, acids or alkalis, and waste materials consisting of or containing any of the foregoing.

(q) Any liability arising from discrimination:

(1) suffered or allegedly suffered by any person based upon, but not limited to, color, creed, gender, race, national origin, age, handicap, illness, religion or sexual preference.

(2) due to unfair trade practices.

(r) "Bodily injury", "personal injury" or "property damage" arising out of the "asbestos hazard".

We shhall have no obligation under this policy:

(1) to investigate, settle or defend any claim or suit against any insured alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the "asbestos hazard"; or,

(2) to pay, contribute to or indemnify another for any damages, judgments, settlements, loss, costs or expenses that may be awarded or incurred by reason of any such claim or suit or any injury or damage, or in complying with any action authorized by law and relating to such injury or damage.

As used in this exclusion:

"Asbestos hazard" means:

(a) an actual exposure or threat of exposure to the harmful properties of "asbestos", or,

(b) the presence of "asbestos" in any place, whether or not within a building or structure.

"Asbestos" means the mineral in any form, including but not limited to fibers or dust.

(s) Injury, sickness, disease, death or destruction:

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

(2) resulting from the "hazardous properties" of "nuclear material" and with respect to which (i) any person or organization if required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) 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, with any person or organization, or

(3) resulting from the "hazardous properties" of "nuclear material", if (i), the "nuclear material" is at any "nuclear facility" owned by, or operated by or on behalf of any insured or has been discharged or dispersed therefrom; (ii), the "nuclear material" if 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 (iii), the injury, sickness, disease, death or destruction arises out of the furnishing by 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 (iii), applies only to injury to or destruction of property at such "nuclear facility".

As used in or applicable to this exclusion, the following are defined terms having special meaning:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Source material", "special nuclear material", and "by-product material", have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to

radiation in a "nuclear reactor";

"Waste" means any waste material (a) containing "by-product material", and (b) resulting from the operations by any person or organization of any "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 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 plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

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

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

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

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

Section II - Who is an Insured

1. If you are designated in the Declarations as:

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

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

(c) An organization other than a partnership or joint venture, you are an insured.

2. Each of the following is also an insured:

(a) As respects to the "auto hazard":

(1) Anyone using an "auto" you own, hire or borrow including any person or organization legally responsible for such use provided it is with your permission; and

(2) Any of your executive officers, directors, partners, employees or stockholders, operating an "auto" you do not own, hire or borrow while it is being used in your business.

None of the following is an insured under (1) or (2) above:

(a) Any person employed by or engaged in the duties of an auto sales agency, repair shop, service station, storage garage or public parking place that you do not operate.

(b) The owner or lessee of any "auto" hired by or for you or loaned to you and any agent or employee of such lessee.

(b) As respects to aircraft:

Anyone using an aircraft chartered with crew by you or on your behalf and anyone legally responsible for its use except:

(1) The owner or crew of the aircraft or any person operating such aircraft;

(2) Any manufacturer of the aircraft or any of its parts;

(3) Any sales, service or repair company;

(4) Any airport or hangar operator; or any employee of (2), (3) or (4).

(c) Except as respects to aircraft and the "auto hazard":

(1) Your executive officers, employees, directors or stockholders while acting within the scope of their duties; and

(2) Any person or organization while acting as real estate manager for you.

(d) Any organization you newly acquire or form, other than a partnership or joint venture and over which you maintain ownership or majority interest, will be deemed to be a Named Insured. However, coverage does not apply:

(1) For a period greater than 90 days from the date of such acquisition or formation or the end of the policy period, whichever is earlier;

(2) To "bodily injury" or "property damage" that occurred before you acquired or formed the organization ; and

(3) "Personal injury" or "advertising injury" arising out of an "offense" committed before you acquired or formed the organization.

(e) Any person or organization having proper temporary custody of your property if you die, but only:

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

(2) until your legal representative has been appointed.

(f) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

(g) Any person or organization for whom you agreed in writing to provide this insurance for operations you perform or facilities you own or use. This insurance is subject to your "applicable underlying limits" for such operation or facilities.

(h) Any other person or organization insured under any policy of the "underlying insurance". This grant is subject to all the limitations upon coverage under such policy other than the limits of the 'underlying insurers" liability.

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

No person is an insured as respects "bodily injury" to a fellow employee unless insurance for such liability is afforded by the "underlying insurance".

Section III - Limits of Insurance

1. The limits of insurance shown in the Declarations and the rules below fix the most we will pay regardless of the

number of:

(a) Insureds;

(b) Claims made or "suits" brought; or,

(c) Persons or organizations making claims or brining "suits".

2. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for liability because of injury and damage included in the "product-completed operations hazards".

3. The General Aggregate Limit is the most we will pay for damages under Coverage A and Coverage B except;

(a) Liability because of injury and damage included in the "products-completed operations hazard"; and,

(b) Liability because of injury and damage included in the "auto hazard".

4. Subject to 3 above, the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization shall be an amount equal to the Each Occurrence Limit.

5. Subject to 2 or 3 above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of damages under Coverage A because of all "bodily injury" and "property damage" arising out of any one "occurrence".

To determine the Limit of Liability, all "bodily injury" and "property damage" arising out of continuous or repeated exposure to the same general conditions shall be considered one "occurrence".

The limits of this insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months. However, if the policy period is extended after issuance for an additional period of less than 12 months, then that additional period will be deemed part of the last preceding period. The policy period begins with the effective date.

Section IV - Conditions

1. Appeals

(a) if the insured or the insured's "underlying insurer" elects not to appeal a judgment which exceeds the "applicable underlying limit", we may do so.

(b) If we do, we will pay all the costs of the appeal. We will also pay all costs on appeals related to the defense of the insured as provided in Section 1, 2. These sums are in addition to the "Applicable Limit of Insurance".

2. Bankruptcy

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

3. Cancellation

(a) The first Named Insured may cancel this insurance by mailing or delivering to us in advance written notice of cancellation.

(b) We may cancel this insurance by mailing or delivering to the first named Insured written notice of cancellation at least:

(1) 10 days before the effective date of the cancellation if we cancel for non-payment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

(c) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

(d) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

(e) If this policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund will be pro rata less 10% of the pro rata unearned premium. The cancellation will be effective even if we have not made or offered refund.

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

4. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. No change can be made in the terms of this insurance except with our consent. The terms of this insurance can be amended or waived only by endorsement issued by us and made a part of this insurance.

5. Duties in the Event of Occurrence or Offense, Claim or Suit

(a) You must see to it that we are notified promptly of an "occurrence" or an "offense" which may result in a claim under this insurance. Notice should include:

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

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

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

(b) If a claim or "suit" is brought against any insured which may result in a claim against this insurance, you must see to it that we receive prompt written notice of the claim or "suit".

(c) The insured must:

(1) Cooperate with the "underlying insurers";

(2) Comply with the terms of the "underlying insurance"; and

(3) Pursue all rights of contribution or indemnity against any person or organization who may be liable to the insured because of "bodily injury", "property damage", "personal injury", or "advertising injury" with respect to which insurance is provided under this or any policy of "underlying insurance".

(4) When we believe that a claim may exceed the "underlying insurance", we may join with the insured and the "underlying insurer" in the investigation, settlement and defense of all claims and "suits" in connection with such "occurrence" or "offense". In such event, the insured must cooperate with us.

6. Examination of your Books and Records

We may examine and audit your books and records as they relate to this insurance:

(a) At any time during the policy period;

(b) Up to three years afterward; or

(c) Within one year after final settlement of all claims under this insurance.

7. Inspection and Surveys

We have the right but are not obligated to:

(a) Make inspections and surveys at any time;

(b) Give you reports on the conditions we find; and,

(c) Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premium to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

(a) are safe or healthful; or

(b) comply with laws, regulations, codes or standards.

8. Legal action against us:

No person or organization has a right under this insurance:

(a) To join us as a party or otherwise bring us into a "suit" asking for damages from an insured, or,

(b) To sue on this insurance unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial. We will not be liable for damages that:

(a) are not payable under the terms of this insurance; or

(b) are in excess of the "applicable limit of insurance"

9. Maintenance of Underlying Insurance

The insurance afforded by each policy in the schedule of "underlying insurance" in the Declarations will be maintained for the full term of this insurance. This provision does not apply to the reduction of the aggregate limit of liability due to payment of claims for "bodily injury, "personal injury", "property damage" or "advertising injury" coverec hereunder. As these policies expire, you will renew them at limits at least equal to the expiring limits of insurance.

If you fail to comply with the above, this insurance is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had you so complied.

You must give us a written notice of any change in the "underlying insurance" as respects:

(a) Coverage;

(b) Limits of Insurance;

(c) Termination of any coverage; or

(d) Exhaustion of aggregate limits.

10. Other Insurance

This insurance is excess over any other valid and collectible insurance whether such other insurance is stated to be primary, contributing, excess, contingent or otherwise. This provision does not apply to a policy bought specifically to apply in excess of this insurance.

11. Our Right to Recover from Others

If we make a payment under this insurance, the insured will assist us and the "underlying insurer" in recovering what we paid by using the insured's right of recovery. Reimbursement will be made in the following order:

(a) First, to any interest (including the insured) who has paid any amount in excess of the limits of this insurance;

(b) Next, to us; and,

(c) Then to any interest (including the insured and the "underlying insurer") as are entitled to claim the remainder, if any.

A different order may apply if agreed upon by all interests. Expenses incurred in the process of recovery will be divided among all interests according to the ratio of their respective recoveries.

12. Premium

(a) You are responsible for the payment of all premiums and will be the payee for any return premiums.

(b) If the premium is a flat charge, it is not subject to adjustment except as provided in (d) below.

(c) If the premium is other than a flat charge, it is an advance premium only. The earned premium will be computed at the end of each year in which this insurance is in force at the rate shown in the Declarations, subject to the Minimum Annual Premium.

(d) Additional premium may become payable when coverage is provided for additional insureds; and Named Insureds under the provisions of Section II. Who Is An Insured, (d), (g), and (h).

13. Premium Audit

(a) You must keep record of the information we need for premium computation and send us copies at such times as we may request.

(b) At the close of each audit period we will compute the earned premium for that period.

(c) Audit premiums are due and payable on notice to you.

(d) If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to you subject to the minimum premiums.

14. Representation

By accepting this insurance, you agree:

(a) The statements in the Declarations and any subsequent notice relating to "underlying insurance" are accurate and complete;

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

(c) We have issued this insurance in reliance upon your representation.

15. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to you in this insurance, this insurance applies:

(a) As if each Named Insured were the only Named Insured; and

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

16. Transfer of your Rights and Duties under this Insurance

Your rights and duties under this insurance may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having your rights and duties but only with respect to that property.

Section V - Definitions

1. "Advertising injury" means injury arising out of one or more of the following "offenses":

(a) Oral or written publication of material that slanders or libels a person or organization's goods, products or services;

(b) Oral or written publication or material that violates a person's right of privacy;

(c) Misappropriation of advertising ideas or style of doing business, or

(d) Infringement of copyright, title or slogan.

2. "Applicable Limit of Insurance" means the maximum amount we will pay as damages in accordance with Section III-Limits of Insurance.

3. "Applicable Underlying Limit" means:

(a) If the policies of "underlying insurance" apply to the "occurrence" or "offense", the greater of:

(1) The amount of insurance stated in the policies of "underlying insurance" in the Declarations or any other available insurance less the amount by which any aggregate limit so stated has been reduced solely due to payment of claims; or

(2) The "retained limit" shown in the Declarations or

(b) If the policies of "underlying insurance" do not apply to the "occurrence" or "offense," the amount stated in the Declarations as the "retained limit".

The limits of insurance in any policy of "underlying insurance" will apply even if:

(a) The "underlying insurer" claims the insured failed to comply with any condition of the policy; or,

(b) The "underlying insurer" becomes bankrupt or insolvent.

4. "Auto" means a land motor vehicle, trailer or semi-trailer.

5. "Auto hazard" means all "bodily injury" and "property damage" for which liability insurance is afforded under the terms of the auto policy of "underlying insurance", other than the limits of insurance of the auto policy of "underlying insurance".

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

7. "Coverage territory" means:

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

(b) International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in (a) above; or

(c) All parts of the world if:

(1) The injury or damage arises out of:

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

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

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

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

useful because:

(a) It incorporates "your product" or "your work" that is know or thought to be defective, deficient, inadequate or dangerous; or

(b) You have failed to fulfill the terms of a contract agreement;

If such property can be restored to use by:

(a) The repair, replacement, adjustment or removal of "your product" or 'your work"; or

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

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

10. "Offense" means any of the offenses listed in the definition of "personal injury" or "advertising injury".

11. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following "offenses" provided that such "offenses" must arise out of the conduct of your business, excluding advertising, publishing, broadcasting, or telecasting done by or for you:

(a) False arrest, detention or imprisonment;

(b) malicious prosecution;

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

(d) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or,

(e) Oral or written publication of material that violates a person's right of privacy.

12. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

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

(b) Work that has not yet been completed or abandoned.

"Your work" will be deemed completed at the earliest of the following times:

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

(b) Work that has not yet been completed or abandoned.

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

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

13. "Property damage" means:

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

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

14. "Retained Limit" is the sum stated in the Declarations as such. If the policies of "underlying insurance" do not apply to the "occurrence" or "offense", the insured shall retain this amount as self insurance with respect to:

(a) "Bodily injury" or "property damage" caused by each "occurrence"; or

(b) "Personal injury" or "advertising injury" sustained by any one person or organization and caused by an "offense".

15. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:

(a) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or

(b) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

16. "Ultimate net loss" means the sum actually paid or payable due to a claim for which the insured is liable either by a settlement to which we agreed or a final judgment. Such sum will include proper adjustments for recoveries and salvage.

17. "Underlying insurance" means the policies listed in the Schedule of Underlying Insurance and includes:

(a) Any renewal or replacement of such policies; and,

(b) Any other insurance available to the insured.

18. "Underlying insurer" means any insurer which provides a policy listed in the Schedule of Underlying Insurance or any other insurance available to the insured.

19. "Your product" means:

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

(1) You;

(2) Others trading under your name; or

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

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

"Your product" includes:

(a) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and,

(b) The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

20. "Your work" means:

(a) Work or operations performed by you or on our behalf; and,

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

"Your work" includes:

(a) Warranties or representations made at any time with respect to the fitness, quality, durability, or performance or use of "your work"; and,

(b) The providing of or failure to provide warnings or instructions.

IN WITNESS WHEREOF the PHILADELPHIA INDEMNITY INSURANCE CO. has caused this policy to be signed by its President and Secretary, but same shall not be binding upon the Company unless countersigned by an authorized representative of the company.

President
Chief Operating Officer

Secretary

Philadelphia Insurance Companies

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004

PLEASE
READ YOUR POLICY
CAREFULLY