

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 03-E-0106

**In the Matter of the Liquidation of
The Home Insurance Company**

**LIQUIDATOR'S MOTION FOR APPROVAL OF
SETTLEMENT AGREEMENT WITH HYDRITE CHEMICAL**

Roger A. Sevigny, Insurance Commissioner for the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), moves that the Court enter an order in the form submitted herewith approving a Settlement Agreement and Mutual Release ("Settlement Agreement") between Hydrite Chemical Company, including its predecessor North Central Chemicals, Inc., and Avganic Industries, Inc., (collectively, "Hydrite Chemical") and the Liquidator. As reasons therefor, the Liquidator states as follows:

1. Home issued fifteen insurance policies under which Hydrite Chemical Company, Avagenics Industries, Inc., or North Central Chemicals, Inc. is the named insured for various policy periods between October 1, 1965 and April 1, 1977. Settlement Agreement, first Whereas clause. Upon Home's placement in liquidation, Hydrite Chemical filed proofs of claim in the Home liquidation regarding environmental claims under the policies. Settlement Agreement, fourth Whereas clause. The Settlement Agreement resolves the proofs of claim and the "Environmental Claims" under the policies, a defined term that includes all environmental claims under the policies but excludes two specifically identified potential future claims. Settlement Agreement, fifth, six, and seventh Whereas clauses. Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Motion for Approval of Settlement Agreement with Hydrite Chemical ("Bengelsdorf Aff.") ¶ 3.

2. The Liquidator and Hydrite Chemical have negotiated a Settlement Agreement reflecting a resolution of the proofs of claim and all matters under the policies regarding Environmental Claims (except for the two potential claims). A copy of the Settlement Agreement is attached as Exhibit A hereto. The Settlement Agreement is subject to approval by the Court. Settlement Agreement ¶ 1. Bengelsdorf Aff. ¶ 4.

3. The Settlement Agreement provides that the Liquidator will recommend allowance of the proofs of claim in the aggregate amount of \$4,425,000 as a Class II priority claim of Hydrite Chemical under RSA 402-C:44. Settlement Agreement ¶ 2(A). Allowance of the recommended amount as a Class II claim will fully and finally resolve the proofs of claim and all Environmental Claims Hydrite Chemical has under the policies. *Id.* ¶ 2(B). Distributions based on that allowance will be made at the same intervals and at the same percentages as distributions to other Class II creditors of Home. *Id.* ¶ 2(C). Bengelsdorf Aff. ¶ 5.

4. The Settlement Agreement is intended to resolve the proofs of claim and all Environmental Claims under the policies (leaving open the possibility of the two potential claims). See Settlement Agreement seventh Whereas clause, 2(B), 5. To that end, the Settlement Agreement provides for mutual releases of all Environmental Claims among the Liquidator, Home and Hydrite Chemical arising from or related to the proofs of claim or the policies. *Id.* ¶¶ 3, 4. The Liquidator also agrees not to pursue claims respecting the underlying matters covered by the proofs of claim against other insurers of Hydrite Chemical that agree not to pursue such claims against Home. *Id.* ¶ 6. Bengelsdorf Aff. ¶ 6.

5. The Liquidator is not aware of any third party claimants asserting claims under the policies. However, in resolving all proofs of claim and Environmental Claims relating to the policies, the Settlement Agreement contemplates denial of any third party claimants' Environmental Claims under the policies in the Home liquidation without prejudice to their

claims against Hydrite Chemical. Accordingly, Hydrite Chemical acknowledges in the Settlement Agreement that it is intended to resolve all matters between Hydrite Chemical and the Liquidator/Home relating to the proofs of claim and Environmental Claims under the policies, including asserted rights of third party claimants under the policies. Settlement Agreement ¶ 5. Hydrite Chemical agrees to address, at its sole cost, the claims of claimants asserting Environmental Claims against Hydrite Chemical as if Hydrite Chemical had no insurance coverage from Home under the policies. *Id.* Hydrite Chemical agrees to indemnify the Liquidator and Home against Environmental Claims arising from the policies up to the amounts ultimately distributed to Hydrite Chemical. *Id.* Bengelsdorf Aff. ¶ 7.

6. The denial of any third party claimants' proofs of claim without prejudice to their claims against Hydrite Chemical will not harm the third party claimants, who will continue to have their full claims against Hydrite Chemical. As noted above, Hydrite Chemical has agreed to address these claims as if it had no insurance coverage from Home under the policies. Settlement Agreement ¶ 5. Third party claimants' proofs of claim against the insolvent Home, if not denied with this agreement, would release Hydrite Chemical from those claims up to the limits of the policies but only entitle the third party claimants (assuming their claims were allowed) to a presently undetermined percentage distribution at the future date when a distribution is made. See RSA 402-C:40, I; Gonya v. Commissioner, New Hampshire Insurance Dept., 153 N.H. 521, 535 (2006) (noting the "inherent uncertainty of any creditor's recovery in a liquidation"). It is not expected that the allowed claims of any third party claimants (or other Class II creditors) will be paid in full. Under the Settlement Agreement, Hydrite Chemical will continue to be fully responsible for any third party claimants' claims against it. See Settlement Agreement ¶ 5. Bengelsdorf Aff. ¶ 8.

7. The Settlement Agreement reflects a compromise of the claims asserted in the proofs of claim. It is the result of negotiations involving the Claims Department, under the supervision of the Special Deputy Liquidator, which has extensive experience in assessing the exposure presented by environmental clean-up costs and damages under Home's insurance policies. The agreed settlement amount is based on careful evaluation and negotiation of coverage obligations under Home's policies respecting the underlying liabilities of Hydrite Chemical. The Liquidator accordingly recommends approval of the Settlement Agreement and allowance of the \$4,425,000 settlement amount as a Class II claim of Hydrite Chemical in accordance with RSA 402-C:45 and RSA 402-C:44. Bengelsdorf Aff. ¶ 9.

8. The Court has previously approved similar settlement agreements. See, e.g., Order Approving Settlement Agreement with Wisconsin Energy (March 18, 2010); Order Approving Settlement Agreement with Straits Steel (May 3, 2009); Order Approving Settlement Agreement with Georgia-Pacific (April 3, 2008); Order Approving Commutation Agreement with Northwestern National Insurance Company and Settlement Agreement and Assignment of Distribution with AK Steel Corporation (March 10, 2006). The Liquidator's negotiation and the Court's approval of such agreements are authorized by the broad authority of the Liquidator to "compound, compromise or in any other manner negotiate the amount for which claims will be recommended to the court," RSA 402-C:45, I, and the authority of the Court to "approve, disapprove or modify any report on claims by the liquidator." RSA 402-C:45, II. It is also an appropriate exercise of the Liquidator's authority ("[s]ubject to the court's control") to "do such other acts . . . as are necessary or expedient for the accomplishment of or in aid of the purpose of liquidation." RSA 402-C:25, XXII.

9. In his Motion for Approval of Commutation with Northwestern National Insurance Company and Settlement Agreement and Assignment of Distribution with AK Steel

Corporation ¶¶ 19-23 (February 16, 2006), the Liquidator provided his analysis of New Hampshire law, including RSA 402-C:40 III, as it applies to this type of comprehensive policy coverage compromise and settlement in an insurer liquidation context. That analysis also applies to the proposed Settlement Agreement with Hydrite Chemical.

10. The Liquidator submits that the Settlement Agreement is fair and reasonable and in the best interests of the policyholders and creditors of Home. See Bengelsdorf Aff. ¶ 10.

WHEREFORE, the Liquidator respectfully requests that this Court:

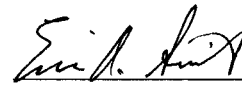
- A. Grant this Motion;
- B. Enter an Order in the form submitted herewith approving the Settlement Agreement, approving the Liquidator's claim recommendation, and allowing Hydrate Chemical's claim as a Class II claim in the aggregate amount of \$4,425,000; and
- C. Grant such other and further relief as justice may require.

Respectfully submitted,

ROGER A. SEVIGNY, INSURANCE
COMMISSIONER OF THE STATE OF
NEW HAMPSHIRE SOLELY AS
LIQUIDATOR OF THE HOME
INSURANCE COMPANY,

By his attorneys,
MICHAEL A. DELANEY
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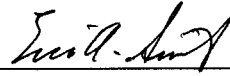


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June 2, 2011

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Settlement Agreement with Hydrite Chemical, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent, this 2nd day of June, 2011, by first class mail, postage prepaid to all persons on the attached service list.



Eric A. Smith
NH Bar ID No. 16952

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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The Home Insurance Company
Docket No. 03-E-0106

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Settlement Agreement And Mutual Release

This Settlement Agreement and Mutual Release (the "Settlement Agreement") is made this 14th day of ~~March~~^{April}, 2011 by and between Hydrite Chemical Company and Avganic Industries, Inc. (hereinafter referred to as "Claimants") on the one hand, and Roger A. Sevigny, Commissioner of Insurance of the State of New Hampshire, solely in his capacity as Liquidator ("Liquidator") of the Home Insurance Company ("Home"), on the other hand (the Claimants and the Liquidator are hereinafter referred to collectively as the "Parties"). It is also expressly understood and agreed that "Claimants" shall include North Central Chemicals, Inc., as an "Insured" under certain of the "Policies" as hereinafter defined.

Whereas, Home issued the following insurance policies under which one or more of the Claimants is named as an insured:

| <u>Policy Number</u> | <u>Policy Period</u> |
|----------------------|----------------------|
| CGA64170 | 7/1/66-7/1/67 |
| GA9163841 | 7/1/67-7/1/68 |
| GA9521538 | 7/1/68-7/1/69 |
| GA9745888 | 7/1/69-7/1/70 |
| GA9930924 | 7/1/70-7/1/71 |
| GA4007888 | 7/1/71-7/1/72 |
| GA4313827 | 7/1/72-7/1/73 |
| GA4675566 | 7/1/73-4/1/74 |
| CC8392771 | 4/1/74-4/1/77 |
| HEC9544439 | 10/1/65-10/1/68 |
| HEC9304529 | 10/1/68-10/1/71 |
| HEC9920247 | 10/1/71-8/31/72 |
| HEC4356477 | 8/31/72-8/31/73 |
| HEC4357086 | 8/31/73-8/31/74 |
| HEC4357087 | 6/1/73-8/31/74 |

which together with all other insurance policies that Home issued to the Claimants or to any one of them as an insured are defined as the “Policies.”

Whereas, certain of the Policies have been lost by both of the Parties (to wit, GA9745888, GA4313827, GA4675566, and HEC9304529) and whereas the Parties have heretofore stipulated to the terms and conditions of these Policies in Case No. 95CV2911 in the Circuit Court for Dane County, Wisconsin, that stipulation is incorporated herein by reference and attached hereto as a part of this Settlement Agreement.

Whereas, Home is being liquidated pursuant to the June 13, 2003 Order of the Superior Court of the State of New Hampshire, Merrimack County (the “Liquidation Court”) pursuant to which the Liquidator was appointed as the Liquidator of Home;

Whereas, Claimants seek payment from Home related to environmental clean up costs and damages and have submitted proofs of claim in the Home Insurance Company liquidation estate that have been assigned the following proof of claim numbers:

| | |
|------------|------------|
| INSU709547 | INSU274238 |
| INSU274411 | INSU713700 |
| INSU247816 | INSU160451 |
| INSU238293 | INSU274237 |
| INSU92605 | INSU93933 |
| INSU93932 | INSU203047 |
| INSU392097 | INSU700476 |
| INSU116634 | |

which together with any other proof of claim hereinbefore filed by Claimants in the Home liquidation estate are defined as the “Proofs of Claim.”

Whereas, except for those matters hereinafter excluded, the Parties are desirous of resolving all “Environmental Claims” that were asserted, or could have been asserted, or might in the future be asserted, between them and resolving all matters concerning

the Proofs of Claim and all rights and obligations with respect to “Environmental Claims” under the Policies.

Whereas, for the purposes of this Settlement Agreement and Release, the Parties agree that “Environmental Claims” shall mean all those liabilities, expenses, and losses that the Claimants have incurred and may incur in the future arising out of claims, proceedings and actions made, asserted or filed or which may in the future be made, asserted or filed against the Claimants or any of them by the USEPA or any other governmental agency, or by non governmental entities or individuals asserting damage, injury, or any other harm arising out of the discharge, dispersal, release or escape of hazardous substances, or traceable to pollution or contamination arising out of acts or omissions as a generator, disposer, owner/operator, or transporter of hazardous substances. By way of example, and not limitation, “Environmental Claims” shall include (i) such claims, actions and proceedings involving damage or injury to natural resources, (ii) such claims, actions and proceedings involving investigation, remediation, response or cleanup costs and (iii) such claims, actions and proceedings brought by entities or individuals involving injury or damage arising out of exposure to hazardous substances.

Whereas, subject to mutual reservation of all rights and privileges under the Policies, the Parties agree to exclude from this Settlement Agreement and Release any claim or suit which might arise in connection with the following matters:

- (1) Claimants’ possible involvement in Missouri litigation wherein plaintiffs allege bodily injury and/or property damage resulting from exposure to hexavalent chromium claimed to be contained in a fertilizer product produced, manufactured, sold, and/or applied by Prime Tanning Company, and

- (2) Claimants' possible involvement in claims or suits arising out of alleged environmental contamination at and around 300 South Barclay Street in Milwaukee, Wisconsin.

It is expressly understood and agreed that the exclusion of these matters from the Settlement Agreement does not create any rights or waive any rights which the Parties may have under the Policies, including the Liquidator's right to deny any claim which might be presented outright.

Whereas, the Parties agree that this Settlement Agreement is subject to and conditioned upon its approval by the Liquidation Court and allowance of the Recommended Amount (as hereinafter defined) into the Home liquidation estate and in the event the Liquidation Court does not approve the Settlement Agreement and allow the Recommended Amount, this Settlement Agreement shall be null and void and without any force or effect;

NOW, THEREFORE, in consideration of all the respective transactions contemplated by this Settlement Agreement, and the mutual covenants and representations herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Effectiveness

This Settlement Agreement is conditioned and shall only become effective (the "Effective Date") upon approval by the Liquidation Court. The Liquidator shall move for approval of this Settlement Agreement promptly following execution by the Parties.

2. Recommendation, Allowance and Classification of Claims

Subject to all the terms of this Settlement Agreement, and with the agreement

of the Claimants, which by Claimants' execution hereof is hereby granted, the Liquidator shall recommend pursuant N.H. RSA 402-C:45 that the Proofs of Claim be allowed in the aggregate amount of \$4,425,000 (the "Recommended Amount") as a Class II priority claim under N.H. RSA 402-C:44. The Liquidator shall seek allowance of the Recommended Amount as a Class II claim by the Liquidation Court in the Liquidator's motion for approval of the Settlement Agreement.

Allowance of the Recommended Amount as a Class II claim by the Liquidation Court shall fully and finally resolve the Proofs of Claim and, except for those matters herein excluded, all Environmental Claims, past, present and future. In the event that the Liquidation Court does not allow the Recommended Amount as a Class II claim, this Settlement Agreement shall be null and void and shall have no force and effect and the Parties will be returned to *status quo ante*, as if no such agreement was ever reached, with this Settlement Agreement then being inadmissible for any purpose in any dispute between the Parties.

If and when the Liquidation Court allows the Recommended Amount as a Class II claim, Claimants will become Class II creditors in the Home liquidation estate pursuant to N.H. RSA 402-C:44, and Claimants shall, subject to this Settlement Agreement, receive distributions on the allowed amount at the same intervals and at the same percentages as other Class II creditors of Home.

3. Release by Claimants

Subject to the terms of this Settlement Agreement and the Liquidation Court's

approval of the Recommended Amount as a Class II claim, Claimants for themselves and on behalf of their officers, directors, employees, agents, attorneys, subsidiaries, predecessors, and their successors and assigns (including any trustee or other statutory successor), irrevocably and unconditionally release and discharge the Liquidator and Home and each of their officers, directors, employees, agents, attorneys, subsidiaries, predecessors, successors and assigns, from any and all actions, causes of action, liabilities, adjustments, obligations, offsets, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, premiums, losses, salvage, controversies, variances, trespasses, damages, judgments, executions, claims and/or demands arising from Environmental Claims under the Policies or the Proofs of Claim, in law, admiralty or equity, which Claimant, its subsidiaries, predecessors, successors and assigns ever had, now have or hereafter may have against the Liquidator or Home or their officers, directors, employees, agents, attorneys, subsidiaries, predecessors, successors and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent.

4. Release by Liquidator

Subject to the terms of this Settlement Agreement and the Liquidation Court's approval of the Recommended Amount as a Class II claim, the Liquidator, in his capacity as such, and on behalf of Home and (in their capacity as such) each of their officers directors, employees, agents, attorneys, subsidiaries, predecessors, and their successors and assigns (including any liquidator or statutory successor), irrevocably and unconditionally releases and discharges

Claimants and (in their capacity as such) their officers, directors, employees, agents, attorneys, subsidiaries, predecessors, successors and assigns, from any and all actions, causes of action, liabilities, adjustments, obligations, offsets, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, premiums, losses, salvage, controversies, variances, trespasses, damages, judgments, executions, claims and/or demands arising from Environmental Claims under the Policies or the Proofs of Claim, in law, admiralty or equity, which the Liquidator, Home, or their subsidiaries, predecessors, successors and assigns, ever had, now have or hereafter may have against Claimants and their officers, directors, employees, agents, attorneys, subsidiaries, predecessors, successors and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent. The Liquidator and Home further agree that they will not seek to recover from any third party (other than Home's Reinsurers) any amount distributed to Claimants or any costs incurred as a result of Claimants' claims, whether through contribution, apportionment, indemnification, subrogation, equitable subrogation, allocation, recoupment or otherwise. Notwithstanding the foregoing, the Liquidator and Home will have the right to assert claims against any other insurer of the Claimants which first files a claim or action against the Liquidator or Home relating to Environmental Claims under the Policies (including the Proofs of Claim).

5. Resolution of Matters and Indemnification

Claimants acknowledge that other than those matters herein excepted, this Settlement Agreement is intended to resolve all Environmental Claims which

have been or might in the future be brought against the Claimants, including any rights of third parties against Claimants asserted directly against Home under the Policies, and Claimants agree to address, at their sole cost and expense, any such third party claim against Claimants as if there had been no liquidation proceeding for Home and as if Claimants had no insurance coverage from Home by virtue of the Policies. In consideration of the Recommended Amount being allowed by the Liquidation Court as a Class II claim and subject to the terms of this Settlement Agreement, Claimants agree to indemnify and hold the Liquidator and Home harmless from and against any Environmental Claim and all losses, liabilities, debts, damages, costs or expenses related thereto which arise under the Policies and such obligation shall extend to and include (by way of example and not limitation) any claims made under the Policies against the Liquidator or Home by vendors of Claimants (including claims for defense and indemnity), by other insurers of Claimants, and by any individuals or entities asserting “direct action” claims arising out of or related to the Policies. The Liquidator shall promptly notify Claimants of any such claim, and shall afford Claimants the opportunity to reasonably participate in the defense of such claims. The indemnity provided in this paragraph, however, shall in no event exceed the amount ultimately distributed to the Claimants in the Home Liquidation. Claimants and Liquidator shall cooperate with each other (including but not limited to the provision of affidavits or testimony) to eliminate Environmental Claims under the Policies asserted directly against the Liquidator or Home by any entity or individual.

6. Mutual Release of Settling Carriers

Claimants agree to use reasonable commercial effort to cause any future settlement agreement relating to the underlying matters covered by the Proofs of Claim with any other insurance company to include a waiver by that other insurance company of any claim, including contribution, apportionment, indemnification, subrogation, equitable subrogation, allocation or recoupment, against Home regarding these matters. The Liquidator agrees to waive, relinquish and release any claim, including contribution, apportionment, indemnification, subrogation, equitable subrogation, allocation or recoupment, as to the matters covered by the Proofs of Claim against any other insurance company which has executed or will execute a settlement with Claimants that includes a provision that is materially the same as this paragraph.

7. No Assignments

Claimants represent that they have not assigned, conveyed, or otherwise transferred any Environmental Claims under the Policies, to any person or entity. Claimant shall not assign or otherwise transfer this Settlement Agreement or any rights or obligations thereunder without the written consent of the Liquidator, which consent shall not be unreasonably withheld.

8. Further Assurances

The Parties shall take all further actions as may be necessary to carry out the intent and purpose of this Settlement Agreement and to consummate the transactions contemplated herein.

9. Governing Law and Venue

This Settlement Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire without regard to the conflicts of law provisions thereof. The Parties agree that the exclusive venue for any dispute between the Parties arising out of the Proofs of Claim, the Policies or this Settlement Agreement shall be the Liquidation Court.

10. Due Diligence

The Parties acknowledge and agree that, in negotiating and executing this Settlement Agreement they have relied upon their own judgment and upon the recommendations of their own legal counsel, that they have read this Settlement Agreement and have had the opportunity to consider its terms and effects and that they have executed this Settlement Agreement voluntarily and with full understanding of its terms and effects.

11. No Third Party Rights

This Settlement Agreement is entered into solely for the benefit of the Liquidator, Home and the Claimants and is not intended to, and does not give or create any rights to or in any person or entity other than the Parties.

12. Counterparts

This Settlement Agreement may be executed in multiple counterparts, each of which, when so delivered, shall be an original, but such counterparts shall together constitute one and the same instrument. The Parties agree that a signature sent by facsimile or electronic mail to the other Party shall have the same force and effect as an original signature.

13. Power and Authority to Execute

Subject to the approval of the Liquidation Court required by paragraph 1, each Party hereto represents and warrants that it has the full power and authority to execute, deliver and perform this Settlement Agreement; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by the Settlement Agreement; that there are no other agreements or transactions to which it is a party that would render this Settlement Agreement or any part thereof void, voidable or unenforceable; that each individual signing on behalf of a Party has been duly authorized by that Party to execute this Settlement Agreement on its behalf; and that no claims being released under the terms of this Settlement Agreement have been assigned, sold, or otherwise transferred to any other entity.

14. Successor in Interest Bound

This Settlement Agreement shall be binding upon, and shall inure to the benefit of the Parties and their respective officers, directors, employees, attorneys, liquidators, receivers, administrators, agents, representatives, successors and assigns.

15. Entire Agreement

This Settlement Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter thereof. This Settlement Agreement supersedes all prior agreements and understandings, whether written or oral, concerning such matters.

16. Survival of Warranties and Representations

The warranties and representations made herein shall survive the execution of this Settlement Agreement.

17. Validity of Settlement Agreement

Subject to approval of this Settlement Agreement by the Liquidation Court as required by paragraph 1, each Party represents and warrants that this Settlement Agreement is a legal, valid and binding obligation, enforceable in accordance with its terms.

18. No Waiver

No waiver of any right under this Settlement Agreement shall be deemed effective unless contained in a writing signed by the Party or an authorized representative of the party charged with such waiver, and no waiver of any breach or failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other provision of this Settlement Agreement. This Settlement Agreement may not be amended except in a document signed by the Parties.

19. Notice

All notices to be given under this Settlement Agreement shall be given by facsimile and first class U.S. mail directed to:

If to the Claimants, to:

David J. Mueller
Vice President Treasury & Legal Affairs
Hydrite Chemical Co.
300 North Patrick Blvd., Drawer #0948
Brookfield, WI 53008-0948

And

Raymond R. Krueger, Esquire
Michael Best & Friedrich LLP
100 East Wisconsin Avenue, Suite 3300
Milwaukee, Wisconsin 53202-4108
Fax: 414-271-6560

If to the Liquidator, to:

Thomas W. Kober, Chief Claims Officer
The Home Insurance Company in Liquidation
61 Broadway, 6th Floor
New York, New York 10006-2504
Fax: 212-299-3824

And

J. Christopher Marshall
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And

J. David Leslie, Esquire
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Fax: 617-542-7437

20. Severability

If any provision of this Settlement Agreement is invalid, unenforceable or illegal under the law of any applicable jurisdiction, the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby and, upon the agreement of the Parties, the remaining provisions of this Settlement Agreement shall remain valid and enforceable. However, in the event of such invalidity, unenforceability or illegality, the

Parties shall negotiate in good faith to amend this Settlement Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the purposes contained in the invalid, unenforceable or illegal provision.

Wherefore, the Parties have caused this Settlement Agreement to be executed on their respective behalves as of the date below the signatures of their duly authorized representatives.

**HYDRITE CHEMICAL CO.
AVGANIC INDUSTRIES, INC.**

By: *David Mueller*

Title: *V.P.*

Date: ~~March~~ ^{April} *14*, 2011

**ROGER A. SEVIGNY, COMMISSIONER OF
INSURANCE OF THE STATE OF NEW
HAMPSHIRE, SOLELY IN HIS CAPACITY
AS LIQUIDATOR OF THE HOME INSURANCE**

By: *Thomas W. Kibben*

Title: *Chief Claims Officer*

Date: ~~March~~ ^{April} *18*, 2011

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

STATE OF WISCONSIN,

Plaintiff,

v.

HYDRITE CHEMICAL COMPANY,
a/k/a AVGANIC INDUSTRIES, INC.,

Case No. 95CV2911

Unclassified: 30703

Declaratory Judgment: 30701

Other Contracts: 30303

Defendant and
Third-Party Plaintiff,

v.

THE AETNA CASUALTY & SURETY CO., et al.,

Third-Party Defendants,

and

INTERSTATE FIRE AND CASUALTY CO.,

Fourth-Party Plaintiff,

v.

MARYLAND CASUALTY COMPANY,

Fourth-Party Defendant.

**STIPULATION BETWEEN HYDRITE AND HOME
REGARDING "LOST POLICY" ISSUES**

Defendant and third-party plaintiff Hydrite Chemical Company, a/k/a Avganic Industries, Inc. (hereinafter "Hydrite"), on the one hand, and third-party defendants Home Indemnity Company and Home Insurance Company (hereinafter collectively "Home"), on the other hand, by their respective attorneys, enter into this stipulation ("Stipulation").

RECITALS

WHEREAS, Home issued certain General - Automobile Liability Policies providing primary comprehensive general liability insurance coverage to North Central Chemicals, Inc. (hereinafter "NCC") and/or Hydrite between July 1, 1966 and July 1, 1974, and issued another insurance policy providing primary general liability coverage to Hydrite between April 1, 1974 and April 1, 1977;

WHEREAS, Home issued excess liability insurance policies providing general liability coverage to NCC and/or Hydrite between October 1, 1968 and August 31, 1974;

WHEREAS, Hydrite has located copies of certain primary general liability insurance policies issued by Home, including the primary insurance policies listed below, and Home has located certain excess insurance policies not listed below:

| <u>Policy Number</u> | <u>Policy Period</u> | <u>Limits</u> | <u>Named Insured</u> |
|----------------------|----------------------|---|----------------------|
| GA9521538 | 7/1/68-7/1/69 | \$100,000 per occurrence and in the aggregate for property damage | NCC |
| GA9930924 | 7/1/70-7/1/71 | \$100,000 per occurrence and in the aggregate for property damage | NCC |
| GA4007888 | 7/1/71-7/1/72 | \$100,000 per occurrence and in the aggregate for property damage | NCC |
| CC8392771 | 4/1/74-4/1/77 | \$100,000 per occurrence and in the aggregate for property damage | Hydrite |

WHEREAS, Hydrite and Home have made diligent good faith efforts to locate additional original insurance policies but have been unable to find them, through no fault of their own;

WHEREAS, neither the originals nor copies of the following primary general liability insurance policies issued by Home to Hydrite and/or NCC can be located, despite the best efforts of the parties (hereinafter collectively "Lost Policies"):

| <u>Policy Number</u> | <u>Policy Period</u> | <u>Limits</u> | <u>Named Insured</u> |
|----------------------|----------------------|---|----------------------|
| GA9745888 | 7/1/69-7/1/70 | \$100,000 per occurrence and in the aggregate for property damage | NCC |
| GA4313827 | 7/1/72-7/1/73 | \$100,000 per occurrence and in the aggregate for property damage | Hydrite |
| GA4675566 | 7/1/73-4/1/74 | \$100,000 per occurrence and in the aggregate for property damage | Hydrite |
| HEC9304529 | 10/1/68-10/1/71 | \$1,000,000 per occurrence and in the aggregate | NCC |

WHEREAS, Hydrite and Home have discussed how these "lost policy" issues might be resolved efficiently at this point in the case to avoid the need for further discovery and to allow the best evidence of the Lost Policies to be introduced into evidence at trial;

STIPULATION

Based upon the foregoing recitals, which are incorporated herein by reference and made an integral part of this stipulation, Hydrite and Home stipulate and agree as follows:

1. Home issued the Lost Policies to Hydrite and/or NCC.
2. Policy Number GA9745888 includes: (a) a declarations page identical in all material respects to one attached hereto as Exhibit A (except that the policy number, effective dates of coverage and the premium payments for Policy Number GA9745888 are different), and (b) form(s) identical in all material respects to those attached hereto as Exhibit B. Hydrite and Home stipulate and agree that Exhibit A and Exhibit B together constitute the best

evidence of Policy Number GA9745888 and accurately reflect the relevant terms and conditions of that policy.

3. Policy Number GA9745888 provided comprehensive general liability insurance to NCC for the policy period of July 1, 1969 to July 1, 1970 with limits for property damage liability in the amount of \$100,000 each occurrence and \$100,000 in the aggregate, with no deductible or self-insured retention.

4. Policy Numbers GA4313827 and GA4675566 include: (a) a declarations page identical in all material respects to one attached hereto as Exhibit A (except that the named insured, policy numbers, effective dates of coverage and the premium payments for Policy Numbers GA4313827 and GA4675566 are different), (b) form(s) identical in all material respects to those attached hereto as Exhibit B, and (c) an additional form identical in all material respects to form numbered L6481, attached hereto as Exhibit C. Hydrite and Home stipulate and agree that Exhibit A, Exhibit B and Exhibit C together constitute the best evidence of Policy Numbers GA4313827 and GA4675566 and accurately reflect the relevant terms and conditions of those policies.

5. Policy Number GA4313827 provided comprehensive general liability insurance to Hydrite for the policy period of July 1, 1972 to July 1, 1973 with limits for property damage liability in the amount of \$100,000 each occurrence and \$100,000 in the aggregate, with no deductible or self-insured retention.

6. Policy Number GA4675566 provided comprehensive general liability insurance to Hydrite for the policy period of July 1, 1973 to April 1, 1974 with limits for property damage liability in the amount of \$100,000 each occurrence and \$100,000 in the aggregate, with no deductible or self-insured retention.

7. Policy Number HEC9304529 (10/1/68-10/1/71) provided excess liability insurance to NCC with a combined single limit for bodily injury and property damage of \$1,000,000 for each occurrence and in the aggregate, following form to the language contained in American Casualty Company of Reading, PA Policy Number RDU09890761 (10/1/68-10/1/71).

8. Hydrite and Home further stipulate and agree that Policy Number HEC9304529 contains (a) a declaration page similar to the one attached hereto as Exhibit D (except that the policy number, effective dates of coverage and premium payments for Policy Number HEC9304529 are different), and (b) the language contained in the forms attached hereto as Exhibit E. Hydrite and Home stipulate and agree that Exhibit D and Exhibit E constitute the best evidence of Policy Number HEC9304529 and accurately reflect the relevant terms and conditions of that policy.

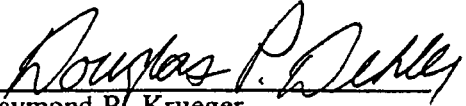
9. Hydrite and Home further stipulate and agree that the facts set forth herein are stipulated for all purposes in this case, including at trial and in any subsequent appeal. The parties also stipulate and agree that this Stipulation and the exhibits attached hereto may be admitted into evidence at trial as the best evidence of the Lost Policies, without objection.

10. This Stipulation shall not be binding upon Hydrite or Home in any proceeding other than the above-captioned action, and shall not be admitted as evidence in any other proceeding.

11. This Stipulation shall not be binding upon Hydrite or Home except for the purposes identified herein. This stipulation shall not preclude any party from conducting additional discovery in this or any other action regarding the terms of the Lost Policies identified herein.

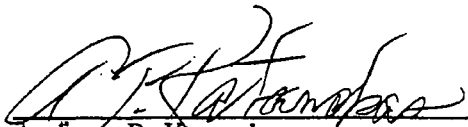
MICHAEL BEST & FRIEDRICH LLP
Attorneys for Defendant and Third-Party
Plaintiff Hydrite Chemical Co.

Date: 9/16/99

BY: 
Raymond R. Krueger
State Bar No. 1000642
David V. Meany
State Bar No. 1008985
Douglas P. Dehler
State Bar No. 1000732

WILLIAMS & MONTGOMERY, LTD.
Attorneys for Third-Party Defendant Home
Insurance Company and Home Indemnity
Company

Date: 9/22/99

BY: 
Anthony P. Katauskas

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TOOT COMPANY

GA-4 00 78 88 **The HOME Indemnity Company**
New York, N.Y.



DECLARATIONS

PRODUCER

Item 1. North Central Chemicals, Inc.
Named Insured and Address: 150 W. Donkle Street, Cottage Grove, Wisconsin

Carney-Rutter Agency, Inc.
828 N. Broadway, Milwaukee, Wisconsin 53202

Item 2. Policy Period:
From 7-1-71 to 7-1-72
12:01 A.M. standard time at the address of the named insured as stated herein.

78538
Producer No.

341
6-23-71 ^{OC} _W

The named insured is: Individual Partnership Corporation Joint Venture Other

Audit Period: 3 yrs. (H) Monthly (A) Quarterly (B) Semi-Annual (C) Annual (D) None (N)

Business of named insured is: Chemical Dealer

Item 3. The insurance afforded is only with respect to the Coverage Part(s) indicated below by specific premium charge(s) and attached to and forming a part of this policy.

| Coverage Parts | Form Number | Advance Premiums |
|--|-------------|----------------------------------|
| Comprehensive General Liability Insurance | H21013(F) | \$ 1569.00 |
| Premises Medical Payments Insurance | | \$ |
| Contractual Liability Insurance | H21014(F) | \$ 33.00 |
| Personal Injury Liability Insurance | | \$ |
| Comprehensive Automobile Liability Insurance | H21040(F) | \$ 2924.00 |
| Automobile Medical Payments Insurance | | \$ |
| Garage Insurance | | \$ |
| Protection Against Uninsured Motorists Insurance | H21038(F) | \$ 39.00 |
| Automobile Physical Damage Insurance | H21760(F) | \$ 1987.00 |
| Other | | |
| *If Policy Period is more than one year premium is payable | | TOTAL ADVANCE PREMIUM \$ 6552.00 |

The first and second anniversary premiums do not include the premiums for automobile coverages if applicable.

Item 4. During the past three years no insurer has cancelled insurance, issued to the named insured, similar to that afforded hereunder unless otherwise stated herein:

Endorsements attached to policy H23250F, G08812, L6481
L9193, AL8832G04208

Carney Rutter
Authorized Representative

*Not applicable in Texas

If the Policy Period is more than one year, the premiums shown for First Anniversary policies are the full three year premium. Any advance deposit for Subsequent Anniversary policies are the annual amount only. If any annual advance deposit for Subsequent Anniversary policies are payable as of the effective date and each anniversary date, payment of the full remainder of premium is required on each anniversary.

H20999 C-69

EXHIBIT
A

**I. COVERAGE A—BODILY INJURY LIABILITY
COVERAGE B—PROPERTY DAMAGE LIABILITY**

The Company will pay on behalf of the insured of sums which the insured shall become legally obligated to pay as damages because of

- A. bodily injury or
- B. property damage

to which this insurance applies, caused by an occurrence, and the Company shall have the right and duty to defend the insured against the claims alleging damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim of suit as it deems appropriate, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (a) to liability assumed by the insured under any contract or agreement except an insurance contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;
- (b) to bodily injury or property damage arising out of the operation, maintenance, operation, use, loading or unloading of:
 - (1) any automobile or aircraft owned or operated by or rented or loaned to the named insured; or
 - (2) any other automobile or aircraft operated by any person in the course of his employment by the named insured;but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to the named insured;
- (c) to bodily injury or property damage arising out of and in the course of the transportation of goods transported by an automobile owned or operated by or rented or loaned to the named insured;
- (d) to bodily injury or property damage arising out of the operation, maintenance, operation, use, loading or unloading of any watercraft, if the bodily injury or property damage occurs away from premises owned by, rented to or controlled by the named insured; but this exclusion does not apply to bodily injury or property damage included within the schedule based on the completed operations hazard or resulting from operations performed for the named insured by independent contractors or to liability assumed by the insured under an insurance contract;
- (e) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act of terrorism included in any of the foregoing, with respect to:
 - (1) liability assumed by the insured under an incidental contract, or
 - (2) amounts for first aid under the Supplementary Payments provision;
- (f) to bodily injury or property damage for which the insured or any insurance may be held liable, as a partner or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessee of premises used for such purposes, by reason of the selling, carrying or giving of any alcoholic beverage;
 - (1) in violation of any statute, ordinance or regulation,
 - (2) to a minor,
 - (3) to a person under the influence of alcohol, or
 - (4) such amount of damages to the intoxication of any person;
- (g) to any obligation for which the insured or any carrier or its insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;
- (h) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured; but this exclusion does not apply to liability assumed by the insured under an incidental contract;
- (i) to property damage to:
 - (1) property owned or occupied by or rented to the insured,
 - (2) property used by the insured, or
 - (3) property in the care, custody or control of the insured or in which the insured is, for any purpose entailing physical control;but parts (1) and (2) of this exclusion do not apply with respect to liability under a written contract agreement and part (3) of this exclusion does not apply with respect to property damage lesser than to structures arising out of the loss of an elevator or premises owned by, rented to or operated by the named insured;
- (j) to property damage to structures damaged by the named insured arising out of such processes or any part thereof;
- (k) to bodily injury or property damage resulting from the failure of the named insured's products or work completed by or for the named insured to perform the function or serve the purpose intended by the named insured, if such failure is due to a mistake or deficiency in any design, formula, plan, specifications, advertising material or printed instructions prepared or reviewed by any insured; but this exclusion does not apply to bodily injury or property damage resulting from the above manufacturing of such products or work;
- (l) to property damage to the named insured's products arising out of such products or any part of such products;
- (m) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (n) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency thereof;
- (o) to property damage included within:
 - (1) the explosion hazard in connection with operations identified in this policy by a classification code number which includes the symbol "C",

- (2) the explosion hazard in connection with operations identified in this policy by a classification code number which includes the symbol "C",
- (3) the underwater property damage hazard in connection with operations identified in this policy by a classification code number which includes the symbol "A".

II. PERSONS COVERED

Each of the following is an insured under this insurance to the extent set forth below:

- (a) if the named insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor;
- (b) if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture, as designated and, as partner or member thereof but only with respect to his liability as such;
- (c) if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
- (d) any person (other than an employee of the named insured or organization while acting as a full-time manager for the named insured) and
- (e) with respect to the operation, for the purpose of licensure upon a public highway, of mobile equipment registered under any motor vehicle registration law:
 - (1) an employee of the named insured while operating any such equipment in the course of his employment, and
 - (2) any other person while, acting with the permission of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and applicable insurance available, either on a primary or excess basis, to such person or organization;provided that no person or organization shall be an insured under this paragraph with respect to:
 - (1) bodily injury to any fellow employee of such person insured in the course of his employment, or
 - (2) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (1).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the Company's liability is limited as follows:

Coverage A—The limit of bodily injury liability stated in the schedule is applicable to "each person" at the limit of the Company's liability for all damages because of bodily injury sustained by one person as the result of any one occurrence; but subject to the above provision respecting "each person," the total liability of the Company for all damages because of bodily injury sustained by two or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the schedule as applicable to "each occurrence".

Subject to the above provisions respecting "each person" and "each occurrence," the total liability of the Company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the schedule as "aggregate".

Coverage B—The total liability of the Company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the schedule as applicable to "each occurrence".

Subject to the above provisions respecting "each occurrence," the total liability of the Company for all damages because of all property damage in which this coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the schedule as "aggregate":

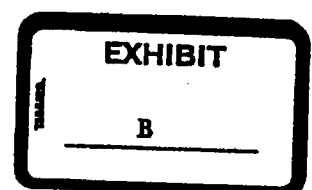
- (1) all property damage arising out of premises or operations rated on a re-construction basis or contractor's equipment rated on a reduced basis, including property damage for which liability is assumed under any endorsed contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;
- (2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general contractors thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of construction or repair of structures owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
- (3) all property damage included within the products hazard and all property damage included within the completed operations hazard.

Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to such projects away from premises owned by or rented to the named insured.

Coverages A and B—For the purpose of determining the limit of the Company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

IV. POLICY PERIOD; TERRITORY

This insurance applies only to bodily injury or property damage which occurs during the policy period within the policy territory.



NEW YORK, N. Y.

(A stock insurance company herein called the company)

In consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all of the terms of this policy, agrees with the named insured as follows:

DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment;

"bodily injury" means bodily injury, sickness or disease sustained by any person;

"collapse hazard" includes "structural property damage" as defined herein and property damage to any other property at any time resulting therefrom. "Structural property damage" means the collapse of or structural injury to any building or structure due to (1) grading of land, excavating, borrowing, filling, back-filling, tunnelling, pile driving, cofferdam work or caisson work or (2) moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support thereof. The collapse hazard does not include property damage (1) arising out of operations performed for the named insured by independent contractors; or (2) included within the completed operations hazard or the underground property damage hazard, or (3) for which liability is assumed by the insured under an incidental contract;

"completed operations hazard" includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (1) when all operations to be performed by or on behalf of the named insured under the contract have been completed;
- (2) when all operations to be performed by or on behalf of the named insured at the site of the operations have been completed; or
- (3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The completed operations hazard does not include bodily injury or property damage arising out of

- (a) operations in connection with the transportation of property, unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof;
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials; or
- (c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations";

"damages" includes damages for death and for care and loss of services resulting from bodily injury and damages for loss of use of property resulting from property damage;

"elevator" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery, but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hoist or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet;

"explosion hazard" includes property damage arising out of blasting or explosion. The explosion hazard does not include property damage (1) arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery

or power transmitting equipment, or (2) arising out of operations performed for the named insured by independent contractors, or (3) included within the completed operations hazard or the underground property damage hazard, or (4) for which liability is assumed by the insured under an incidental contract;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) side-track agreement, or (5) elevator maintenance agreement;

"insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in Item I. of the declarations of this policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"accurrence" means an accident, including injurious exposure to conditions, which results, during the policy period, in bodily injury or property damage neither expected nor intended from the standpoint of the insured;

"policy territory" means:

- (1) the United States of America, its territories or possessions, or Canada, or
- (2) international waters or air space, provided the bodily injury or property damage does not occur in the course of travel or transportation to or from any other country, state or nation, or
- (3) anywhere in the world with respect to damages because of bodily injury or property damage arising out of a product which was sold for use or consumption within the territory described in paragraph (1) above, provided the original suit for such damages is brought within such territory;

"products hazard" includes bodily injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the named insured and either: (1) physical possession of such products has been relinquished to others;

"property damage" means injury to or destruction of tangible property;

"underground property damage hazard" includes underground property damage as defined herein and property damage to any other property at any time resulting therefrom. "Underground property damage" means property damage to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, borrowing, filling, back-filling or pile driving. The underground property damage hazard does not include property damage (1) arising out of operations performed for the named insured by independent contractors, or (2) included within the completed operations hazard, or (3) for which liability is assumed by the insured under an incidental contract.

SUPPLEMENTARY PAYMENTS

The company will pay, in addition to the applicable limit of liability:

- (a) all expenses incurred by the company, all costs taxed against the insured in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required

of the insured because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, but the company shall have no obligation to apply for or furnish any such bonds;

- (c) expenses incurred by the insured for first aid to others at the time of an accident, for bodily injury to which this policy applies;
- (d) reasonable expenses incurred by the insured at the company's request, including actual loss of wages or salary (but not loss of other income) not to exceed \$25 per day because of his attendance at hearings or trials at such request.

CONDITIONS

1. **Premium:** All premiums for this policy shall be computed in accordance with the company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the company shall return to the named insured the unearned portion paid by the named insured.

The named insured shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the company at the end of the policy period and at such times during the policy period as the company may direct.

2. **Inspection and Audit:** The company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe.

The company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. **Financial Responsibility Laws:** When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for bodily injury liability or for property damage liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The insured agrees to reimburse the company for any payment made by the company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

4. **Insured's Duties in the Event of Occurrence, Claim or Suit:**

(a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable. The named insured shall promptly take at his expense all reasonable steps to prevent other bodily injury or property damage from arising out of the same or similar conditions, but such expense shall not be recoverable under this policy.

(b) If claim is made or suit is brought against the insured, the insured shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.

(c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of bodily injury or property damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

5. **Action Against Company:** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

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

6. **Other Insurance:** The insurance afforded by this policy is primary insurance except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

(a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

(b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

7. **Subrogation:** In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

8. **Changes:** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

9. **Assignment:** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded by this policy shall apply (1) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such, and (2) with respect to the property of the named insured, to the person having proper temporary custody thereof, as insured, but only until the appointment and qualification of the legal representative.

10. **Three Year Policy:** If this policy is issued for a period of three years, the limits of the company's liability shall apply separately to each consecutive annual period thereof.


11. **Cancellation:** This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in this policy, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing.

If the named insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

12. **Declarations:** By acceptance of this policy, the named insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the company or any of its agents relating to this insurance.

In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the declarations page by a duly authorized representative of the company.


Secretary


President

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

AUTOMOBILE

A 0012 - G 511

GU 8812
(Ed. 10-66)

NAUA No. GA-166—EDITION October, 1966

AMENDMENT OF GENERAL LIABILITY—AUTOMOBILE POLICY—WISCONSIN

This endorsement, effective

7-1-71

(12:01 A. M., standard time)

, forms a part of policy No. GA4007888

issued to

by


Authorized Representative

0
1051

It is agreed that:

1. Paragraph (a) of the Condition entitled "Insured's Duties in the Event of Occurrence, Claim or Suit" is amended to read:

Insured's Duties in the Event of Occurrence, Claim or Suit:

(a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the company or any of its authorized agents within 20 days following the date of the occurrence; provided, that failure to give such notice within the time specified shall not invalidate any claim made by the insured if it shall be shown not to have been reasonably possible to give such notice within the prescribed time and that such notice was given as soon as reasonably possible. The named insured shall promptly take at his expense all reasonable steps to prevent other bodily injury or property damage from arising out of the same or similar conditions, but such expense shall not be recoverable under this policy.

2. The Condition entitled "Changes" is amended to read:

Changes: The terms of this policy shall not be changed, except by endorsement issued to form a part of this policy.

Knowledge of an agent of the company at the time this policy is issued or an application made shall be knowledge of the company, and any fact which breaches a condition of the policy and is known to the agent when the policy is issued or the application made shall not void the policy or defeat a recovery thereon in the event of loss.

3. The following paragraph is added to the Condition entitled "Declarations":

No oral or written statement, representation or warranty made by the insured or in his behalf in the negotiation of this policy shall be deemed material or defeat or avoid the policy, unless such statement, representation or warranty was false and made with intent to deceive, or unless the matter misrepresented or made a warranty increased the risk or contributed to the loss. No breach of a warranty in this policy shall defeat or avoid this policy unless the breach of such warranty increased the risk at the time of the loss, or contributed to the loss, or existed at the time of the loss.

4. With respect only to such insurance as is afforded by the policy for bodily injury liability or property damage liability arising out of the ownership, maintenance or use of motor vehicles:

(a) If an action for bodily injury or property damage occurring in the State of Wisconsin is brought in Wisconsin, the Condition entitled "Action Against Company" is amended to read:

Action Against Company: No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance by the insured with all of the terms of this policy.

Any person or organization or the legal representative thereof who has secured a judgment against the insured shall be entitled to recover under this policy to the extent of the insurance afforded by this policy. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

(b) If the named insured is an individual, the "Persons Insured" provision is amended to include as an insured any person using a motor vehicle owned by the named insured which is designed to transport or draw persons or property on the public highways with the permission of an adult member of the named insured's household other than a chauffeur or domestic servant, and any other person or organization but only with respect to his or its liability because of acts or omissions of such an insured.

(c) The first paragraph of the Condition entitled "Cancellation" is amended to read:

This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in this policy, written notice stating when not less than twenty days thereafter such cancellation shall be effective. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. If the company elects not to renew this policy, it shall mail to the named insured, at the address shown in the policy, written notice of such nonrenewal not less than twenty days prior to the termination or expiration of this policy. The mailing of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing.

5. Paragraph (b) of the Condition entitled "Named Insured's Duties in Event of Loss" is amended to read:

(b) give notice thereof (i) to the company or any of its authorized agents within 20 days following the date the loss occurs, provided that failure to give such notice within the time specified shall not invalidate any claim made by the named insured if it shall be shown not to have been reasonably possible to give such notice within the prescribed time and that such notice was given as soon as reasonably possible, and also (ii) in the event of theft or larceny, promptly to the police;



HI MPF-000917

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

IRB-6 335 — 6 335

L 6481
(Ed. 8-70)

EXCLUSION

(Contamination or Pollution)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

- COMPREHENSIVE GENERAL LIABILITY INSURANCE
- COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE
- CONTRACTUAL LIABILITY INSURANCE
- MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
- OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE
- OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
- SPECIAL PROTECTIVE AND HIGHWAY LIABILITY INSURANCE — NEW YORK DEPARTMENT OF TRANSPORTATION
- STOREKEEPER'S INSURANCE

This endorsement, effective

7-1-71

(12:01 A. M., standard time)

, forms a part of policy No.

GA4007888

issued to

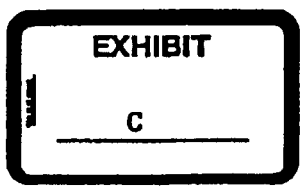
by

Russell M. Ritten
Authorized Representative

It is agreed that the insurance does not apply to bodily 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 materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.



019010



HI MPF-000916

DAILY REPORT

| RENEWING OR IN LIEU OF 4 32 45 9 | | | | RATE OF COMM. 15 | SUBJECT TO AUDIT YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | | HEC—9 92 02 | | | |
|-------------------------------------|---------------|-------------|-------------|-----------------------------|---|-----------|--------------------|---------------------|------------------------|------------|
| CO. | ACCT. ID CODE | TRANS. CODE | STAT. STATE | REINSURANCE OR TAX LOCATION | MAJOR LINE CODE | SUB. LINE | RATE OF COMMISSION | STATISTICAL PREMIUM | IF PAID ON INSTALLMENT | |
| A | 07 | | | | 771 | 7.70 | | | MONTH & YR. | COLL. PLAN |

THE HOME INSURANCE COMPANY
EXCESS LIABILITY POLICY

INS

COLLECTION PREM.

KEY PUNCH

METROPOLITAN OFFICE, NEW YORK
Producer

ITEM 1. Insured's Name and Mailing Address

Hydrite Chemical Company, Inc.
and/or Hydrite Chlorine Corp.
and/or Kaye Chemical Corp.
621 South 1st Street
Milwaukee, Wisconsin 53204

Carney-Lutter Agency, Inc.
820 North Broadway
Milwaukee, Wisconsin

Time
Years

Control

78538
Producer No.

341
OPC

State Loc

10/1/71
Inception (Mo. Day Yr.)

8/31/71
Expiration (Mo. Day Yr.)

Standard Time at the address of the Named Insured as stated herein

ITEM 2. PRIMARY OR UNDERLYING INSURANCE — DESCRIPTION OF COVERAGE

\$1,000,000.00 Combined Single Limit Each Occurrence and in the Aggregate where applicable Umbrella Excess Third Party Liability as provided by American Casualty Company of Reading, Pa. Policy No. RDU 8067085 in turn excess of underlying as per schedule on file with the Company.

ITEM 3. EXCESS COVERAGE AFFORDED BY THIS POLICY

\$1,000,000.00 Combined Single Limit Each Occurrence and in the Aggregate where applicable Umbrella Excess Third Party Liability following the terms, conditions and exclusions of the American Casualty Company of Reading, Pa., Policy No. RDU 8067085 excess of the limits provided thereby as set forth in Item #2 above.

ITEM 4. PREMIUM

\$915.00

In Witness Whereof, the said THE HOME INSURANCE COMPANY, NEW YORK has caused these Presents to be signed by its President as attested by its Secretary, in the City of New York, and this policy is made and accepted upon the above express conditions, but shall not be valid unless countersigned by a duly Authorized Representative of the Company at place of issue.

Walter J. Tomlin Secretary

John W. Ashburn President

COUNTERSIGNED BY (AUTHORIZED REPRESENTATIVE)

DATE
10/22/71

H9735 (FIDR 10/69)



COPY

HM000001

HEC—9 92 02 47

A&G 661a
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(BROAD FORM)

This endorsement, effective 10/1/71
(12 01 A. M. standard time)

forms a part of policy No. H.C 99-0-4

issued to **Hydrite Chemical Company, Inc., etal**
by **The Home Insurance Co.**

It is agreed that the policy does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction
 - (a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this 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.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to immediate medical surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if
 - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
 - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility but if such facility is located within the United States of America, its territories or possessions or Canada, the exclusion (c) applies only to injury to or destruction of property at such nuclear facility.

- IV. As used in this endorsement:
 - "hazardous properties" include radioactive, toxic or explosive properties;
 - "nuclear material" means source material, special nuclear material or byproduct material;
 - "source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act 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 byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (c) 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 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.

AUTHENTIC

.....
Authorized Representative

EXHIBIT
E

HM000002

EXCESS LIABILITY POLICY
THE HOME INSURANCE COMPANY
New York, New York

(Hereinafter called the Company)

Agrees with the Insured named in the schedule made a part hereof, in consideration of the payment of the premium and subject to all of the terms of this Policy, as follows:

As respects accidents or occurrences, whichever is applicable, taking place during the period of the Policy, the Company agrees to afford the Insured such additional insurance as the issuers of the Underlying Coverage specified in the schedule would afford the Insured by increasing the underlying limit from the limit(s) set forth under Item 2 of the Declarations to the limit(s) set forth under Items 2 and 3 of the Declarations combined provided that it is expressly agreed that liability shall attach to the Company:

- (a) only after the issuers of the Underlying Coverage have been held liable to pay the full amount of the said underlying limit, and
- (b) only as respects such additional amounts in excess that would be payable by the issuers of the Underlying Coverage if the said underlying limit were amended as aforesaid,
- (c) in no greater amount than the limit(s) set forth under Item 2 of the Declarations ultimate net loss as respects each accident or occurrence, whichever is applicable, taking place during the period of this Policy—Subject to the limit(s) set forth under Item 3 of the Declarations ultimate net loss in the aggregate where applicable for each annual period during the term of this Policy.

DEFINITIONS

1. **Ultimate Net Loss.** The words "ultimate net loss" shall be understood to mean the amount payable in settlement of the liability of the Insured after making deductions for all recoveries and for other valid and collectible insurances, excepting however the policy(ies) of the Primary Insurer(s) and shall exclude all expenses and costs.
2. **Costs.** The word "costs" shall be understood to mean accruing after entry of judgment, investigation, adjustment, legal expenses (excluding, however, all office expenses of the Insured, all expenses for salaried employees of the Insured, and general retainer fees for counsel normally paid by the Insured).

CONDITIONS

1. **MAINTENANCE OF UNDERLYING INSURANCE.** It is a condition of this Policy that the Underlying Coverage be maintained in full effect during the period of this Policy except for the reduction of the aggregate limits contained therein solely by payment of claims for accidents or occurrences, whichever is applicable, which take place during the period of this Policy. If the Underlying Coverage is terminated during the period of the Policy the effective date of termination of the said Underlying Coverage shall be the end of the period of this Policy.

This Policy is subject to the same warranties, terms and conditions (except as otherwise provided herein) as are contained in or as may be added to the Underlying Coverage prior to the happening of an accident or occurrence, whichever is applicable, for which claim is made hereunder.
2. **PREMIUM.** The Insured shall pay premium to the Company as specified in the schedule.

If the Insured terminates this Policy, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company terminates this Policy, earned premium shall be computed pro rata.
3. **NOTIFICATION OF CLAIMS.** The Insured upon knowledge of any accident or occurrence, whichever is applicable, which gives rise to a claim hereunder shall give immediate notice thereof to the Company.
4. **ASSISTANCE AND CO-OPERATION.** The Company shall be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Insured but the Company shall have the right and given the opportunity to associate with the Insured or the Insured's underlying insurers, or both, in the defense and of any claim, suit or proceeding relative to an occurrence for which the claim or suit involves or appears reasonably likely to involve the Company, in which event the Insured and the Company shall co-operate in all things in the defense of such claim, suit or proceeding.
5. **TERMINATION.** The Insured may terminate this Policy at any time by giving to the Company 30 days' previous notice. The Company may terminate this Policy at any time by giving to the Insured 30 days' previous notice. Any such notice shall be sent by registered mail and shall state the date upon which the termination shall become effective. The effective date of termination shall be the end of the period of this Policy.

In Witness Whereof, the Company has caused this Policy to be executed and attested; but this Policy shall not be valid unless signed on this Declaration page by a duly authorized representative of the Company.