

Airport/Fixed Base Operator's Liability Policy. Issued by company as left of the company's name (hereinafter called the Company).

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- City of DIYERSBURG (TENN.) NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
- THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
- AMERICAN HOME ASSURANCE COMPANY

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

DECLARATIONS

- Item 1. NAMED INSURED City of Dyersburg, Tennessee
 Address Dyersburg, Tennessee
 The Named Insured is: individual ; partnership ; corporation ; joint venture ; other (specify) Municipality
- Item 2. POLICY PERIOD: From July 1, 1993 to July 1, 1994
 12:01 A.M., Standard Time at the address of the **Named Insured** as stated herein.
 Audit Period: Annual, unless otherwise stated
- Item 3. The insurance afforded is only with respect to such of the following Coverage Parts, as are indicated by specific premium charge or charges.

Coverage Parts	Advance Premiums
Comprehensive General Liability Insurance	\$
Owners', Landlords' and Tenants Liability Insurance	\$ 1,600.
Contractual Liability Insurance	\$
Completed Operations and Products Liability Insurance	\$
Owners' and Contractors' Protective Liability Insurance	\$
Premises Medical Payments Insurance	\$
Personal Injury Liability Insurance	\$
Hangarkeepers' Liability Insurance	\$

Endorsements forming a part of this policy on its effective date:
AP-2, AP-3, AP-3(A)

Total Advance Premium \$ 1,600.

The company has caused this policy to be executed by its President and Secretary or by its **Aviation Managers** at its principal United States Office but it shall not be valid unless approved by the **Aviation Managers** and countersigned by a duly authorized representative of the company and completed by the attachment hereto of (1) one or more Coverage Parts for which there is an advance premium indicated on this page, and (2) the Standard Provisions Part of the company's Airport/Fixed Base Operator's Liability Policy.

Producer Bradshaw and Company, P.O. Box 1300, Dyersburg, TN 38024

Countersigned 7/1 1993

at _____
By Walt Bradshaw
(AUTHORIZED REPRESENTATIVE)

- AIG Aviation, Inc.
- AIG Aviation Insurance Services
- AIG Aviation (Canada), Inc.
- AIG Aviation (Illinois) Corporation
- AIG Aviation (Texas), Inc.
-

Approved by _____
AVIATION MANAGERS

OWNERS', LANDLORDS' AND TENANTS, LIABILITY INSURANCE — COVERAGE PART
COVERAGE FOR DESIGNATED PREMISES AND RELATED OPERATIONS IN PROGRESS
OTHER THAN STRUCTURAL ALTERATIONS, NEW CONSTRUCTION AND DEMOLITION

I. COVERAGE A — BODILY INJURY LIABILITY

COVERAGE B — PROPERTY DAMAGE LIABILITY

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

Coverage A. **bodily injury** or

Coverage B. **property damage**

to which this insurance applies, caused by an **occurrence** and arising out of the ownership, maintenance or use of the **insured premises** and all operations necessary or incidental thereto, and the company shall have the right and duty to defend any suit against the **insured** seeking **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 or suit as it deems expedient, 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 **incidental contract**; but with respect to **bodily injury** or **property damage** occurring while work performed by the **named insured** is in progress, this exclusion does not apply to a warranty that such work will be done in a workmanlike manner;
- (b) to **bodily injury** or **property damage** arising out of the ownership, 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 **insured premises**, 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 **mobile equipment** 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 ownership, maintenance, operation, use, loading or unloading of any watercraft, if the **bodily injury** or **property damage** occurs away from the **insured premises**, but this exclusion does not apply to liability assumed by the **insured** under an **incidental 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 or condition incident to any of the foregoing, with respect to

(1) liability assumed by the **insured** under an **incidental contract**, or

(2) expenses for first aid under the Supplementary Payments provision;

(f) to **bodily injury** or **property damage** for which the **insured** or his indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving 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) which causes or contributes to the intoxication of any person;

(g) to any obligation for which the **insured** or any carrier or his insurer may be held liable under any workmen's 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 as to which the **insured** is for any purpose exercising physical control;

but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to **property damage** (other than to **elevators**) arising out of the use of an **elevator** at the **insured premises**;

(j) to **property damage** to premises alienated by the **named insured** arising out of such premises or any part thereof,

(k) to **property damage** to the **named insured's products** arising out of such products or any part of such products,

(l) 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;

(m) to **bodily injury** or **property damage** included within the **completed operations hazard** or the **products hazard**;

(n) to **bodily injury** or **property damage** arising out of operations on or from premises (other than the **insured premises**) owned by, rented to or controlled by the **named insured**, or to liability assumed by the **insured**

...contract or agreement relating to such premises.

(b) to **bodily injury or property damage** arising out of structural alterations which involve changing the size of or moving buildings or other structures, new construction or demolition operations performed by or on behalf of the **named insured**.

(c) to **bodily injury or property damage** arising out of riot, civil commotion or mob action or out of any act or omission in connection with the prevention or suppression of any of the foregoing.

(d) to **damages** for the devaluation of property or for the taking, use, or acquisition or interference with the rights of others in property or airspace.

I. PERSONS INSURED

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 so designated and any 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 real estate manager for the **named insured**; and

(e) with respect to the operation, for the purpose of locomotion upon a public highway, of **mobile equipment** registered under any motor vehicle registration law,

(i) an employee of the **named insured** while operating any such equipment in the course of his employment, and

(ii) any other person while operating with the permission of the **named insured** any such equipment registered in the name of the **named insured** and any person or organization legally responsible for such operation, but only if there is no other valid and collectible 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 (e) with respect to:

(1) **bodily injury** to any fellow employee of such person injured 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 (ii).

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 as applicable to "each person" is 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**".

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**".

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. ADDITIONAL DEFINITION

When used in reference to this insurance (including endorsements forming a part of the policy),

"**insured premises**" means (1) the premises designated in the declarations, (2) premises alienated by the **named insured** (other than premises constructed for sale by the **named insured**), if possession has been relinquished to others, and (3) premises as to which the **named insured** acquires ownership or control and reports his intention to insure such premises under this policy and no other within 30 days after such acquisition; and includes the ways immediately adjoining such premises on land.

V. POLICY PERIOD, TERRITORY

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

SINGLE LIMIT

OWNERS', LANDLORDS', AND TENANTS' LIABILITY INSURANCE—COVERAGE PART

It is agreed that Provision III. LIMITS OF LIABILITY of the Owners', Landlords' and Tenants' Liability Insurance — Coverage Part is hereby amended to read as follows:

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:

Coverages A and B Combined Single Limit — The total liability of the company for all damages because of all bodily injury and all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the combined single limit of liability stated below as applicable to "each occurrence".

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.

Combined Single Limit of Liability \$ 1,000,000. Each Occurrence

Nothing herein contained shall vary, alter, waive or extend any of the terms, provisions, representations, conditions or agreements of the policy other than as above stated.

This endorsement becomes effective July 1, 1993 to be attached to and hereby made a part of Policy No. AP322-37-02 issued to City of Dyersburg, Tennessee

This endorsement shall not be valid unless approved by the Aviation Managers of the Company.

Endorsement No. 1

Date of Issue 06/21/93(ast)

- AIG Aviation, Inc.
- AIG Aviation Insurance Services
- AIG Aviation (Canada), Inc.
- AIG Aviation (Illinois) Corporation
- AIG Aviation (Texas), Inc.
-

By  AVIATION MANAGERS

AIR TRAFFIC CONTROL TOWER EXCLUSION

In consideration of the premium at which this insurance is written, it is understood and agreed this policy does not apply to any Air Traffic Control Tower operations.

Nothing herein contained shall vary, alter, waive or extend any of the terms, provisions, representations, conditions or agreements of the policy other than as above stated.

This endorsement becomes effective July 1, 1993 to be attached to and hereby made a part of Policy No. AP322-37-02 issued to City of Dyersburg, Tennessee

This endorsement shall not be valid unless approved by the Aviation Managers of the Company.

Endorsement No. 2

Date of Issue 06/21/93(ast)

- AIAIG Aviation, Inc.
- AIG Aviation Insurance Services
- AIG Aviation (Canada), Inc.
- AIG Aviation (Illinois) Corporation
- AIG Aviation (Texas), Inc.
-

By  AVIATION MANAGERS

This policy shall not apply under any coverage part to:

- 1) bodily injury, sickness, disease, occupational disease, disability, shock, death, mental anguish, mental injury, property damage, personal injury or advertising injury or any other claim whatsoever arising out of or related to asbestos, asbestos fibers, asbestos dust, or any product or material containing asbestos or the failure of any product or material containing asbestos or the existence of asbestos in any place or thing or in the atmosphere, land or any water course or body of water;
- 2) any loss, cost or expense arising out of testing for, monitoring, cleaning up, containing, treating, or removing asbestos or any product or material containing asbestos;
- 3) any obligation to defend or indemnify due in whole or in part to any claim or suit against the insured alleging damages arising from or relating to asbestos excluded by paragraph 1 or 2 above.

However, the above exclusion shall not apply under the products or completed operations coverage part of the policy if the failure of the product leads to the active or physical malfunctioning of an aircraft which causes bodily injury or property damage, but in no way shall this extend the policy to cover bodily injury, sickness, disease, occupational disease, disability shock, death, mental anguish, mental injury, property damage, or any other claim whatsoever, arising out of asbestos, asbestos fibers, asbestos dust, or the existence of asbestos in any place or thing, or in the atmosphere, land or water course or body of water.

Nothing herein contained shall vary, alter, waive or extend any of the terms, provisions, representations, conditions or agreements of the policy other than as above stated.

This endorsement becomes effective July 1, 1993 to be attached to and hereby made a part of Policy No. AP322-37-02 issued to City of Dyersburg, Tennessee

This endorsement shall not be valid unless approved by the Aviation Managers of the Company.

Endorsement No. 3

Date of Issue 06/21/93(ast)

- AIG Aviation, Inc.
- AIG Aviation Insurance Services
- AIG Aviation (Canada), Inc.
- AIG Aviation (Illinois) Corporation
- AIG Aviation (Texas), Inc.
-

By  AVIATION MANAGERS



SPECIAL AIRPORT PROVISIONS

Applicable to Comprehensive General Liability Insurance, Manufacturers' and Contractors' Liability Insurance and Owners', Landlords' and Tenants' Liability Insurance

With respect to the premises designated in the policy as an airport and all operations necessary or incidental thereto:

1. The "Persons Insured" provision is amended to include any airport manager of the **named insured** while acting within the scope of his duties as such.
2. Subdivision (3) of exclusion (i) relating to **property damage** to property in the control of the **insured** or **property damage** to property as to which the **insured** for any purpose is exercising physical control does not apply to **property damage** to aircraft when the **insured's** control is solely traffic control over the movement of such aircraft.
3. The exclusion in the policy with respect to aircraft applies only to aircraft owned by or rented or loaned to the **insured** or **in flight** by or for the account of the **insured**.
4. The insurance does not apply:
 - (a) (1) to the conduct of any contest or exhibition permitted, sponsored or participated in, by the **insured**, or
 - (2) to the ownership, maintenance or use of
 - (i) grandstands, bleachers or observation platforms other than observation decks or promenades which are part of permanent structures on the premises, or
 - (ii) swimming pools, or
 - (iii) lodging accommodations for the general public, or
 - (iv) schools other than pilot training schools, or
 - (3) with respect to restaurants operated by the **named insured** or by others trading under his name, to **bodily injury** or **property damage** arising out of
 - (i) the **named insured's products**, or
 - (ii) reliance upon a representation or warranty made with respect thereto if the **bodily injury** or **property damage** occurs after physical possession of such products has been relinquished to others,

provided that any subdivision of this subparagraph (a) does not apply when specifically stated below or in the policy to be inapplicable.
 - (b) to that portion of any loss arising out of the ownership, maintenance or use of aircraft or **automobiles** with respect to which the **insured** has other valid and collectible insurance, whether primary or excess.
5. The term "**in flight**" means the time commencing with the actual take-off run of the aircraft and continuing thereafter until it has completed its landing run.

STANDARD PROVISIONS PART — AIRPORT/FIXED BASE OPERATOR'S LIABILITY POLICY

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.

DEFINITIONS

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

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

"**aviation managers**" means AIG Aviation, Inc.; AIG Aviation Insurance Services; AIG Aviation (Canada), Inc.; AIG Aviation (Illinois) Corporation or AIG Aviation (Texas), Inc.; whichever is indicated by an "X" on the Declarations Page.

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

"**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 con-

DEFINITIONS (continued)

tractor or sub-contractor 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 hod 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;

"**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) sidetrack 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;

DEFINITIONS (continued)

"**named insured**" means the person or organization named in Item 1. 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;

"**occurrence**" 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 after physical possession of such products has been relinquished to others;

"**property damage**" means injury to or destruction of tangible property.

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

CONDITIONS (continued)

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 its **Aviation Managers** 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 or its **Aviation Managers** 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 impleaded by the **insured** or his legal representative. Bankruptcy or insolvency of the **insured** or of the **insured's** estate shall not relieve the company of any of its obligations hereunder.

6. Other Insurance. The insurance afforded by this policy is primary insurance, except when stated to apply in excess

CONDITIONS (continued)

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, signed by a duly authorized representative of

CONDITIONS (continued)

the company or its **Aviation Managers**.

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 its **Aviation Managers** or any of its authorized agents or by mailing to the company or its **Aviation Managers** 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 thirty days (ten days if for non-payment of premium) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company or its **Aviation Managers** 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 or its **Aviation Managers** 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.

NUCLEAR ENERGY LIABILITY EXCLUSION — (Broad Form)

- I. Subject to the Provisions of paragraph III of this Exclusion; it is agreed that the policy and any endorsement used therewith, regardless of whether such endorsement makes the policy exclusions inapplicable, does not apply:
 - A. Under any Liability Coverage to **bodily injury or property damage**
 - (1) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear 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
 - (2) resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to

maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

- B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.
- C. Under any Liability Coverage, to **bodily injury** or

NUCLEAR ENERGY LIABILITY EXCLUSION (continued)

property damage resulting from the hazardous properties of nuclear material, if

- (1) the nuclear material (a) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;
- (2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) the bodily injury or property damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to property damage to such nuclear facility and any property thereat.

II. As used in this Exclusion:

"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

NUCLEAR ENERGY LIABILITY EXCLUSION (continued)

by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) hereof;

"nuclear facility" means

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

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

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

"property damage" includes all forms of radioactive contamination of property.

- III The provisions of this exclusion do not apply to (a) family automobile, comprehensive personal and farmer's comprehensive personal insurance nor to (b) liability arising out of the ownership, maintenance or use of any automobile principally garaged or registered in the State of New York.

NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE

- 1. This policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:
 - (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
 - (b) pollution and contamination of any kind whatsoever,
 - (c) electrical and electromagnetic interference,
 - (d) interference with the use of property, unless caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.
- 2. With respect to any provision in the Policy concerning any duty of the Company to investigate or defend claims, such provision shall not apply and the Company

shall not be required to defend:

- (a) claims excluded by paragraph 1 or
- (b) a claim or claims covered by the policy when combined with any claims excluded by paragraph 1 (referred to below as "Combined Claims").
- 3. In respect of any Combined Claims, the Company shall (subject to proof of loss and the limits of the policy) reimburse the Insured for that portion of the following items which may be allocated to the claim or claims covered by the policy:
 - (a) damages awarded against the Insured and
 - (b) defense fees and expenses incurred by the Insured.
- 4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part 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 countersigned on the Declaration Page by a duly authorized agent of the Company and approved by the Aviation Manager.

National Union Fire Insurance Company of Pittsburgh, Pa.

[Signature]
President

American Home Assurance Company

[Signature]
President

The Insurance Company of the State of Pennsylvania

[Signature]
President

[Signature] Secretary
National Union Fire Insurance Company of Pittsburgh, Pa.
The Insurance Company of the State of Pennsylvania
American Home Assurance Company