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MUTUAL MARINE OFFICE, INC.

100 PARK AVENUE, NEW YORK, N.Y. 10017

212-953-0580

FOR (COMPANY): EMPLOYERS MUTUAL CASUALTY COMPANY

EXCESS LIABILITIES UMBRELLA

DECLARATIONS

1. NAMED ASSURED: SCM CORPORATION, ETAL AS PER LEAD UMBRELLA
2. ADDRESS OF ASSURED: 299 PARK AVENUE
NEW YORK, N.Y. 10171
3. POLICY NUMBER: MMO - 73675
4. POLICY TERM: JANUARY 1, 1985 to
JANUARY 1, 1986
BEGINNING AND ENDING AT 12:01 A.M., STANDARD TIME AT
THE ADDRESS OF THE NAMED ASSURED AS STATED ABOVE.
5. PREMIUM: \$10,000.
6. OCCURRENCE LIMIT: \$10,000,000. P/O \$50,000,000. X/S \$99,000,000.
7. ANNUAL AGGREGATE LIMIT: \$10,000,000. P/O \$50,000,000. X/S \$99,000,000.
(WHERE APPLICABLE)
8. UNDERLYING INSURANCE:

<u>LEAD COMPANY</u>	<u>LAYER</u>	<u>OCCURRENCE LIMIT</u>	<u>(WHERE APPLICABLE) ANNUAL AGGREGATE LIMIT</u>
EMPLOYERS INSURANCE OF WAUSAU	\$5,000,000. X/S OF PRIMARIES	\$ 5,000,000.	\$ 5,000,000.
VARIOUS	VARIOUS LAYERS TOTALLING \$94,000,000. X/S OF \$5,000,000.	\$94,000,000.	\$94,000,000.

MUTUAL MARINE OFFICE, INC.

GLD052541

0049-GLD-000052541

THE COMPANY, IN CONSIDERATION OF THE PAYMENT OF PREMIUM, IN RELIANCE UPON THE STATEMENTS IN THE DECLARATIONS MADE PART HEREOF AND SUBJECT TO ALL OF THE TERMS OF THIS POLICY, AGREES WITH THE NAMED ASSURED AS FOLLOWS:

INSURING AGREEMENT

1. The company hereby agrees to indemnify the Assured against ultimate net loss arising out of the hazards covered and as defined and in excess of the underlying insurance as shown in Declaration 8 but only up to an amount not exceeding the limits shown in Declarations 6 and 7.
2. Except as may be otherwise stated in this policy, the coverage provided shall follow the insuring agreements, (including the persons or entities insured), conditions and exclusions of the underlying insurance (whether primary or excess) immediately preceding the layer of coverage provided by this policy. If subsequent to the binding of this insurance any changes are made in the immediate underlying insurance, the Company agrees to follow the immediate underlying insurance with respect to such changes at an additional premium, if any, to be agreed. The Assured agrees to give prompt notice of any change in coverage or premium in the underlying insurance and copies thereof shall be furnished to the Company upon request.

MAINTENANCE OF UNDERLYING INSURANCE

3. The limits of the underlying insurance shall be maintained in full effect during the policy term (as shown in Declaration 4) except for reduction of such limits by exhaustion of aggregate limits, if any, solely by the payment of claims resulting from accidents or occurrences happening during the policy term thereof. Failure to comply with the foregoing shall not invalidate this policy, but in the event of such failure the Company shall be liable only to the extent that it would have been liable had the Assured complied.

ASSURED'S RESPONSIBILITY FOR DISCLOSURE OF AGGREGATE LIMITS

4. Unless aggregate limits are specifically stated in Declaration 8, the coverage provided by this policy applies only in excess of the amount provided for any one accident or occurrence in the underlying insurance and does not apply over any reduced amount of underlying insurance in the event of the exhaustion or reduction of aggregate limits, if any, in the underlying insurance. If annual aggregate limits are specifically stated in Declaration 8, this policy will apply in excess of reduced underlying insurance, provided such reduction in the underlying insurance is solely the result of accidents or occurrences happening during the policy term as shown in Declaration 4. The Assured shall give the Company written notice as soon as possible of any reduction or exhaustion of such limits in the underlying insurance.
5. Unless this clause shall be physically deleted or unless an annual aggregate limit shall have been provided for in Declaration 7, should any of the underlying insurances listed in Declaration 8 be subject to an annual aggregate limit, whether or not shown as an aggregate, then this policy shall also be subject to an annual aggregate limit equal to the occurrence limit as shown in Declaration 6.

ADDITIONAL ASSURED

6. If more than one Assured is named in Declaration 1, such additional Assured(s) shall not have the effect of increasing the Company's limit of liability for each accident or occurrence as shown in Declaration 6. Such additional assureds shall be included only with respect to such activities insured by this policy as would exist in the absence of the naming of additional assureds or loss payees and coverage hereunder shall in no way be considered extended by the inclusion of additional assureds.

OTHER INSURANCE

7. If other valid and collectible insurance with any other insurer is available to the Assured covering a loss also covered by this policy, other than insurance that is specifically stated to be in excess of the insurance afforded by this policy, then the insurance afforded by this policy shall be in excess of and shall not contribute with such other insurance.

TERM AND CANCELLATION

8. This policy applies only to accidents or occurrences happening during the Policy Term as shown in Declaration 4.
9. This Policy may be cancelled at any time at the written notice of the Assured or may be cancelled by or on behalf of the Company provided thirty (30) days written notice is given to the Assured at the address shown in Declaration 2.
10. If the Assured cancels, earned premium shall be computed on a short rate basis, and if cancelled by the Company, adjustment shall be pro rata.
11. In the event of cancellation of the immediately preceding underlying insurance, this policy terminates as of the same date without additional notice to the Assured.
12. Notice by the Company to the first named Assured, if more than one, shall be deemed notice to any other interests included as an Assured.

PREMIUM

13. Premium as shown in Declaration 5 shall be due and payable upon delivery of this policy.

NOTICE OF LOSS

14. The Assured shall immediately advise the Company of any accident or occurrence which appears reasonably likely to result in liability under this policy and of subsequent developments likely to affect the Company's liability hereunder.

CONTROL OF CLAIMS

15. The Assured shall be solely responsible for the investigation, settlement, defense and final disposition of any claim made, suit brought or proceeding instituted against the Assured to which this policy would apply and which no underlying insurer is obligated to defend.

16. The Assured shall use due diligence and prudence to settle all claims and suits which in the exercise of sound judgment should be settled, provided, however, that the Assured shall not make or agree to any settlement for any sum in excess of the underlying insurance without the approval of the Company.
17. The Assured shall comply with the terms and conditions of the underlying insurance and shall cooperate with the underlying insurer(s) as required by the terms of the underlying insurance.
18. The Assured shall enforce any right of contribution or indemnity against any person or organizations who may be liable to the Assured.
19. At no time shall the Company be called upon to assume charge of the investigation, settlement, or defense of any claim made, suit brought or proceeding instituted against the Assured, but the Company shall have the right and shall be given the opportunity to associate with the Assured or its underlying insurer(s) in the investigation, settlement or defense of any claim, suit or proceeding which appears likely to involve the Company. In the event that the Company avails itself of such right or opportunity, the Assured, the Company and the underlying insurer(s) shall cooperate in the investigation, settlement or defense of such claim, suit or proceeding. Failure on the part of the Assured to cooperate shall relieve the Company, if it so chooses, of any liability under this policy.
20. In the event that the Assured elects not to appeal a judgment in excess of the underlying insurance limit or limits, the Company may elect to conduct such appeal at its own cost and expense and shall be liable for the taxable court costs and interests incidental thereto, but in no event shall the liability of the Company exceed the limit of liability as shown in Declaration 6 and 7 plus the cost and expense of any such appeal.

LIMIT OF LIABILITY

21. Except as set forth in clause 20, in no event shall the Company's liability for any one accident or occurrence or in the aggregate where applicable, including all costs, exceed the limits shown in Declarations 6 and 7.

ALLOCATION OF COSTS

22. In the event of any claim, suit or proceeding which appears likely to result in liability to the Company, no costs shall be incurred by the Assured without the written consent of the Company.
23. In the event a judgment is rendered in excess of the underlying insurance limit(s) and the underlying insurer(s) elect to appeal such a judgment, the duty of obtaining an appeal bond in regard to liability in excess of the underlying insurance limit(s) shall rest with the Assured and its underlying insurer(s).

LOSS PAYABLE

24. The Company's obligation to pay any ultimate net loss for any accident or occurrence falling within the terms of this policy of insurance shall not attach until the amount of applicable underlying limit has been paid by or on behalf of the Assured or until the Assured's obligation to pay such amounts shall have been finally determined, either by judgment against the Assured after the actual trial or by written agreement of the Assured, the claimant, and the Company.

SUBROGATION AND SALVAGE

25. All salvages, recoveries, or payments recovered or received subsequent to a settlement under this policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Assured and the Company, provided always that nothing in this clause shall be construed to mean that losses under this Policy are not recoverable until the Assured's ultimate net loss shall have been finally ascertained.
26. It is agreed that in the case of any payment made hereunder, the Company may act together with all other interests (including the Assured) in the exercise of any rights of recovery with respect to the loss paid by the Assured, Underwriters on the underlying insurances, and the Company. The apportionment or any amounts which may be recovered from third parties shall follow the principle that any interest (including that of the Assured) that shall have paid an amount over and above any payment hereunder by the Company shall first be reimbursed to the amount paid thereby; the Company will then be reimbursed out of any balance remaining up to the amount paid thereby and hereunder; finally, the interests (including that of the Assured) of whom this policy is in excess are entitled to claim the balance, if any. Expenses incurred in the recovery of such amounts shall be apportioned between the interests (including the Assured) concerned in the proportion that their respective recoveries are finally settled.

DEFINITIONS

27. "Ultimate Net Loss" as used herein shall be understood to mean the sums paid in settlement of losses for which the Assured is liable after making deductions for all recoveries, salvages and other insurances (other than recoveries under the underlying insurance, policies of co-insurance on this layer, or policies specifically in excess hereof), whether recoverable or not, and shall exclude all costs. However, nothing contained herein shall be construed to mean that the Assured shall be required to enforce by legal action any right of subrogation, salvage or indemnity before the Company shall pay any loss covered hereunder.
28. "Costs" as used herein, shall be understood to mean interest on judgments, investigation, adjustment and legal expenses, including taxes, court costs and premiums on bonds for which the Assured is not covered by the underlying insurance.

NUCLEAR INCIDENT EXCLUSION

29. It is agreed that this Policy does not apply:

I. Under any Liability Coverage, to injury, sickness, disease, death or destruction

(a) with respect to which an Assured under this policy is also an Assured 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 Assured 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 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 Assured 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 any Assured, or

(c) the injury, sickness, disease, death or destruction arises out of the furnishing by an Assured 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 (c) applies only to injury to or destruction of property at such nuclear facility.

III. As used herein

"hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, "special nuclear material" or by-product material; "source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof: "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor, "waste" means any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; "nuclear facility" means

- (a) any nuclear reactor;
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the assured 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;

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

SIGNATURE ENDORSEMENT

The Policy to which this endorsement is attached is insured by the companies scheduled below, each severally, but not jointly, and not on the part of one for the other or any of the others, for their respective percentages as shown:

The named insured is hereby notified that, by virtue of this policy, he is a member of the Employers Mutual Casualty Company and is entitled to vote at all meetings of the said Company and shall, upon termination of this policy, participate in the distribution of dividends as fixed and determined by the directors in accordance with law. The annual meeting is held at the home office of the Company on the second Wednesday in March of each year at 9:30 o'clock A.M.

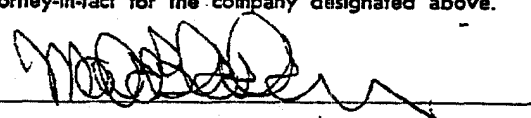
EMPLOYERS MUTUAL CASUALTY COMPANY

Executed in New York

This 17th day of May, 1985

Mutual Marine Office, Inc.

Attorney-in-fact for the company designated above.

By 

Attached to and forming part of Policy No. MMO - 73675 of the Mutual Marine Office, Inc.

2-P-02

 MUTUAL MARINE OFFICE, INC.

GLD052548
0049-GLD-000052548

INCLUSION OF ADDITIONAL ASSURED OR LOSS PAYEES

"Wherever additional assureds or loss payees are added to this policy it is specifically agreed:

- A) Such additional assureds or loss payees are included only with respect to such activities insured by this policy as would exist in the absence of the naming of additional assureds or loss payees and coverage hereunder shall in no way be considered extended by the inclusion of additional assureds or loss payees.
- B) The inclusion of additional assureds or loss payees shall in no way increase the limit of liability hereunder
- C) In the event of cancellation or change in policy coverage unless specifically endorsed in writing to the contrary hereon, no obligation is imposed on this company to send notice of cancellation or change of coverage to an additional assured or loss payee and notice to the original named assured shall discharge all obligations of this company hereunder. This company shall not be required to notify additional named assured or loss payees of any cancellation received from the original assured hereon."

MUTUAL MARINE OFFICE, INC.

GLD052549

0049-GLD-000052549

NEW YORK STATE AMENDATORY ENDORSEMENT

It is hereby understood and agreed that if the policy is issued or delivered in the State of New York:

1. In the Insuring Agreement, Paragraph 1, is deleted and replaced by the following:
 1. The Company hereby agrees to pay on behalf of the Assured the ultimate net loss arising out of the hazards covered and as defined and in excess of the underlying insurances as shown in Declaration 8 but only up to an amount not exceeding the limits shown in declarations 6 and 7.
 2. In the Loss Payable clause, Paragraph Number 24, the words "after actual trial" are deleted.
 3. The Nuclear Incident Exclusion, Paragraph 29 does not apply with respect to automobiles registered within the State of New York.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED

MUTUAL MARINE OFFICE, INC.

GLD052550
0049-GLD-000052550

ENDORSEMENT # 1

It is hereby agreed that except with respect to premium, limits of liability and endorsements attached to the basic policy form, this policy is amended to follow the terms and conditions of Employers Insurance of Wausau Policy Number 5736-00-102570, a copy of which is on file with this Company.

The Assured agrees to give prompt notice of any change in underlying coverage or any material change in the Assured's operations.

MUTUAL MARINE OFFICE, INC.

GLD052551
0049-GLD-000052551

ENDORSEMENT # 2

It is hereby agreed that the cancellation clause in this policy is amended to read sixty (60) days.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

MUTUAL MARINE OFFICE, INC.

GLD052552
0049-GLD-000052552

ENDORSEMENT # 3

SEEPAGE, POLLUTION AND CONTAMINATION EXCLUSION CLAUSE NO. 2

This insurance does not cover any liability for:

- 1) Personal Injury or Bodily Injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination.
- 2) The cost of removing, nullifying or cleaning-up seeping, pollution or contaminating substances.
- 3) Loss of, damage to, or loss of use of property directly or indirectly resulting from subsidence caused by subsurface operations of the Assured.
- 4) Removal of, loss of or damage to sub-surface oil, gas or any other substance, the property of others.
- 5) Fines, penalties, punitive or exemplary damages.

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MUTUAL MARINE OFFICE, INC.

GLD052553
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ENDORSEMENT # 4

ASBESTOS EXCLUSION

It is agreed that such coverage as is provided by this policy shall not apply to any loss arising out of the manufacture, processing, handling, distribution, sale, application or use of asbestos, or asbestos related products.

It is further agreed that the underlying aggregate limit scheduled in the Declarations shall remain in full force and effect and not be impaired by any claim, suit, or loss excluded by the foregoing.

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MUTUAL MARINE OFFICE, INC.

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