PLAINTIFF'S EXHIBIT

UTX-89

CHUBB

Liability Insurance

Declarations

Chubb Group of Insurance Companies
15 Mountain View Road
Warren, NJ 07059

Named Insured and Mailing Address

UTEX INDUSTRIES, INC.
APPLIED RUBBER TECHNOLOGY, INC.
10810 OLD KATY ROAD SUITE 100
HOUSTON, TX 77043

Policy Number 3534-59-69

Effective Date JUNE 1, 2000

Issued by the stock insurance company indicated below, herein called the company.

GREAT NORTHERN INSURANCE COMPANY

Producer No. 0093563

Producer MARSH USA AGENCY, INC
1000 LOUISIANA #4000
HOUSTON, TX 77002-5008

Incorporated under the laws of MINNESOTA

Policy Period

From: JUNE 1, 2000 To: JUNE 1, 2001
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Liability Coverage	Limit Of Insurance	
GENERAL LIABILITY		
GENERAL AGGREGATE LIMIT	$ 2,000,000	
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	$ 2,000,000	
EACH OCCURRENCE LIMIT	$ 1,000,000	
ADVERTISING INJURY AND PERSONAL INJURY LIMIT	$ 1,000,000	
MEDICAL EXPENSE LIMIT	$ 10,000	
EMPLOYEE BENEFITS ERRORS OR OMISSIONS		
AGGREGATE LIMIT	$ 1,000,000	
EACH CLAIM LIMIT	$ 1,000,000	
DEDUCTIBLE - EACH CLAIM		$ 1,000
RETROACTIVE DATE		JUNE 1, 1998

UTEX 000894

Liability Insurance

General Liability

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UTEX 000895

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the Definitions section of this contract.

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

In addition to the Named **Insured**, other persons or organizations qualify as **insureds**. Those persons or organizations and the conditions under which they qualify are identified in the Who Is Insured section of this contract.

Who Is Insured

Sole Proprietorship

If you are an individual, you and your spouse are **insureds**, but only with respect to the conduct of a business of which you are the sole owner.

Partnership Or Joint Venture

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

Other Organizations

If you are an organization other than a partnership, joint venture or limited liability company, you **are an insured**. Your **executive officers** and directors are **insureds**, but only with respect to their duties as your officers or directors. Your stockholders are also **insureds** but only with respect to their liability as stockholders.

Employees

Your **employees**, other than your **executive officers**, are **insureds**, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

No **employee** is an **insured** for:

A. **bodily injury** or **personal injury**:

1. to you, your partners or members (if you are a partnership, joint venture or limited liability company), or to a co-**employee** while in the course of his or her employment or while performing duties related to the conduct of your business;
2. to the spouse, child, parent, brother or sister of that co-**employee** as a consequence of paragraph A.1. above; or
3. for which there is any obligation to share damages with or repay someone else who must pay damages because of an injury described in A.1. or A.2. above;

Paragraphs A.1., A.2., and A.3. do not apply to officers or supervisors.

B. **property damage** to property owned or occupied by or rented or loaned to that **employee**, any of your other **employees**, or any of your partners or members (if you are a partnership, joint venture or limited liability company).

UTEX 000897

Who Is Insured

Vendors (continued)

- repacking, unless unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instruction from the manufacturer and then repacked in the original container;
- demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of **your products**;
- **your products** which after distribution or sale by you have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance, by or for the vendor;
- any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of **your products**;
- any of **your products** or completed operations contained within the **products-completed operations hazard** which have been excluded from this insurance; or
- any **occurrence** which takes place after the contract with the vendor expires or the end of the policy period, whichever comes first.

This insurance does not apply to any person or organization, as **insured**, from whom you have acquired **your products** or any ingredient, part or container, entering into, accompanying or containing **your products**.

Lessors Of Premises

Any lessor of leased premises is an **insured**, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and only if you are contractually obligated to provide such coverage as is afforded by this contract.

No lessor is an **insured** with respect to:

- any **occurrence** which takes place after you cease to be a tenant in the premises or the end of the policy period, whichever comes first;
- structural alterations, new construction, or demolition operations performed by or on behalf of the lessor; or
- **bodily injury**, **property damage**, **advertising injury**, or **personal injury** arising out of the sole negligence of the lessor.

Lessors Of Leased Equipment

Any lessor of equipment leased to you is an **insured**, but only with respect to **bodily injury** or **property damage** arising out of the maintenance, operation or use by you of the equipment and only if you are contractually obligated to provide such coverage as is afforded by this contract.

No lessor is an **insured** with respect to:

- any **occurrence** which takes place after any equipment lease expires or the end of the policy period, whichever comes first; or
- **bodily injury** or **property damage** arising out of the sole negligence of the lessor.

Subsidiaries Or Newly Acquired Or Formed Organizations

If there is no other similar insurance available, the following will qualify to be a named **insured**:

- Any financially controlled subsidiary of yours; or

UTEX 000899

Limits Of Insurance
(continued)

- persons or organizations making claims or bringing **suits**.

The Limits Of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

General Aggregate Limit

Subject to the Each Occurrence Limit and the Advertising Injury And Personal Injury Limit, the General Aggregate Limit is the most we will pay for the sum of:

- damages under **bodily injury** and **property damage** coverage, except damages because of **bodily injury** and **property damage** included in the **products-completed operations hazard**;
- damages under **advertising injury** and **personal injury** coverage; and
- **medical expenses** under Medical Expense coverage.

Products-Completed Operations Aggregate Limit

Subject to the Each Occurrence Limit, the Products-Completed Operations Aggregate Limit is the most we will pay for damages under **bodily injury** and **property damage** coverage included in the **products-completed operations hazard**.

Advertising Injury And Personal Injury Limit

The Advertising Injury And Personal Injury Limit is the most we will pay under **advertising injury** and **personal injury** coverage for the sum of all damages involving the same oral or written publication of material, or the same act, regardless of the frequency or repetition thereof, the number or kind of media used, and the number of claimants.

Any amount paid for damages arising out of an offense will reduce the amount of the applicable Aggregate Limit available for payment of damages arising out of any other offense.

If the applicable Aggregate Limit has been reduced by payment of damages to an amount that is less than the Advertising Injury And Personal Injury Limit stated in the Declarations, the remaining Aggregate Limit is the most that will be available for payment of damages arising out of any other offense.

Each Occurrence Limit

The Each Occurrence Limit is the most we will pay for the sum of:

- damages under **bodily injury** and **property damage** coverage; and
- **medical expenses** under Medical Expense coverage

because of all **bodily injury** and **property damage** arising out of any one **occurrence**.

Any amount paid for damages arising out of an **occurrence** will reduce the amount of the applicable Aggregate Limit available for payment of damages arising out of any other **occurrence**.

If the applicable Aggregate Limit has been reduced by payment of damages to an amount that is less than the Each Occurrence Limit stated in the Declarations, the remaining Aggregate Limit is the most that will be available for payment of damages arising out of any other **occurrence**.

UTEX 000901

Bodily Injury/Property Damage Exclusions

None of the following exclusions, except Contractual Liability and Expected or Intended Injury, apply to damage to premises rented to you.

Aircraft, Auto Or Watercraft

This insurance does not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, **loading or unloading**, or entrustment to others of any:

- aircraft;
- **auto**; or
- watercraft

which any **insured** owns, operates, rents or borrows.

This exclusion does not apply to:

A. watercraft on land at your premises;

B. watercraft that you do not own that is:

   1. less than 55 feet long; and
   2. not being used to carry persons or property for a charge;

C. parking an **auto** on, or on the ways next to, premises you own or rent, provided the **auto** is not owned by or rented or loaned to you or the **insured**;

D. liability assumed under any **insured contract** for the ownership, maintenance, or use of aircraft, or watercraft;

E. **bodily injury** or **property damage** arising out of the operation of any of the equipment listed in paragraph F.2. or F.3. of the definition of **mobile equipment**; or

F. aircraft you do not own, provided:

   1. the pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating him or her a commercial or airline transport pilot;
   2. it is rented with a trained, paid crew; and
   3. it is not being used to carry persons or property for a charge.

Contractual Liability

This insurance does not apply to **bodily injury** or **property damage** for which the **insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages:

- that the **insured** would have in the absence of the contract or agreement; or
- assumed in an oral or written contract or agreement that is an **insured contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement. When a claim for such **bodily injury** or **property damage** is made, we will defend that claim provided the **insured** has assumed the obligation to defend such claim in the **insured contract**. Such defense payments will not reduce the Limits of Insurance.

UTEX 000903

Bodily Injury/Property Damage Exclusions

Employer's Liability (continued)

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

This exclusion does not apply to liability assumed by the **insured** under an **insured contract**.

Expected Or Intended Injury

This insurance does not apply to **bodily injury** or **property damage** which results from an act that:

- is intended by the insured; or
- can be expected from the standpoint of a reasonable person

to cause **bodily injury** or **property damage**, even if the injury or damage is of a different degree or type than actually intended or expected.

This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

Liquor Liability

This insurance does not apply to **bodily injury** or **property damage** for which any **insured** may be held liable by reason of:

- causing or contributing to the intoxication of any person;
- the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

Product Recall

This insurance does not apply to **bodily injury** or **property damage** claimed for any loss, cost, or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- **your product**;
- **your work**; or
- **impaired property**

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

UTEX 000905

Advertising Injury/ Personal Injury Exclusions
(continued)

Failure To Conform To Advertising

This insurance does not apply to **advertising injury** arising out of the failure of goods, products or services to conform with advertised quality or performance.

Intentional Falsehoods

This insurance does not apply to **advertising injury** or **personal injury** arising out of oral or written publication of material if done by or at the direction of the **insured** with knowledge of its falsity.

Prior Acts

This insurance does not apply to **advertising injury** or **personal injury** arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

Willful Violations

This insurance does not apply to **advertising injury** or **personal injury** arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the **insured**.

Wrong Description

This insurance does not apply to **advertising injury** arising out of the wrong description of the price of goods, products or services.

Medical Expense Exclusions

Athletic Activities

This insurance does not apply to **medical expense** for **bodily injury** to any person taking part in athletics.

Injury To An Insured

This insurance does not apply to **medical expense** for **bodily injury** to any **insured**.

Products-Completed Operations

This insurance does not apply to **medical expense** for **bodily injury** included within the **products-completed operations hazard**.

Workers' Compensation And Similar Laws

This insurance does not apply to **medical expense** for **bodily injury** to a person, whether or not an **employee** of any **insured**, if benefits for the **bodily injury** are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

UTEX 000907

Policy Exclusions
(continued)

Pollution

A. This insurance does not apply to **bodily injury**, **property damage**, **advertising injury**, or **personal injury** arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of **pollutants**:

1. at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **insured**;

2. at or from any premises, site or location which is or was at any time used by or for any **insured** or others for the handling, storage, disposal, processing or treatment of waste;

3. which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **insured** or any person or organization for whom you may be legally responsible; or

4. at or from any premises, site or location on which any **insured** or any contractors or subcontractors working directly or indirectly on any **insured**'s behalf are performing operations:

   a. if the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **insured**, contractor or subcontractor; or

   b. if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **pollutants**.

Subparagraphs A.1. and A.4.a. do not apply to **bodily injury**, **property damage**, **advertising injury**, or **personal injury** arising out of heat, smoke or fumes from a **hostile fire**.

B. This insurance does not apply to any loss, cost or expense arising out of any

1. request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or

2. claim or **suit** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing or in any way responding to, or assessing the effects of **pollutants**.

This exclusion does not apply to damage to premises rented to you caused by fire, explosion, smoke or leakage from fire protective equipment.

Liability Conditions

Arbitration

We are entitled to exercise all of the **insured**'s rights in the choice of arbitrators and the conduct of any arbitration proceeding, except when the proceeding is between us and the **insured**.

Bankruptcy

Bankruptcy or insolvency of the **insured** or the **insured**'s estate will not relieve us of any obligation to which this insurance applies.

UTEX 000909

Liability Conditions
(continued)

Legal Action Against Us

No person or organization has a right under this insurance:

- to join us as a party or otherwise bring us into a **suit** asking for damages from an **insured**; or
- to sue us on this insurance unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an **agreed settlement** or on a final judgment against an **insured** obtained after:

- an actual trial in a civil proceeding;
- an arbitration proceeding; or
- an alternative resolution proceeding,

but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable Limits of Insurance.

Other Insurance

If other valid and collectible insurance is available to the **insured** for a loss we cover under **bodily injury**, **property damage**, **advertising injury** or **personal injury** coverage of this insurance, our obligations are limited as follows:

Primary Insurance

This insurance is primary except when the Excess Insurance provision described below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then we will share with all that other insurance by the method described in the Method of Sharing provision described below.

Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

A. that is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for **your work**;

B. that is Fire insurance for premises rented to you;

C. if the loss arises out of the maintenance or use of aircraft, **autos** or watercraft to the extent not subject to the Aircraft, Auto Or Watercraft exclusion; or

D. that is valid and collectible **bodily injury**, **property damage**, **advertising injury**, or **personal injury** insurance:

   1. provided you by anyone working under contract for you; or

   2. provided by another party's policy to which you have been added as an additional insured.

When this insurance is excess, we will have no duty under **bodily injury**, **property damage**, **advertising injury** or **personal injury** coverages to defend any **insured** against a **suit** that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the **insured**'s rights against all those other insurers.

UTEX 000911

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Advertising

Advertising means any advertisement, publicity article, broadcast or telecast.

Advertising Injury

Advertising injury means injury, other than **bodily injury** or **personal injury**, arising solely out of one or more of the following offenses committed in the course of **advertising** of your goods, products or services:

- oral or written publication of advertising material that slanders or libels a person or organization;
- oral or written publication of advertising material that violates a person's right of privacy; or
- infringement of copyrighted advertising materials or infringement of trademarked or service marked titles or slogans.

Agreed Settlement

Agreed settlement means a settlement and release of liability signed by us, the **insured** and the claimant or the claimant's legal representative.

Auto

Auto means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But **auto** does not include **mobile equipment**.

Bodily Injury

Bodily injury means physical:

- injury,
- sickness, or
- disease

sustained by a person and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.

Employee

Employee includes a **leased worker** but does not include a **temporary worker**.

Executive Officer

Executive officer means a person holding any of the officer positions created by your charter, constitution or by-laws.

Hazardous Properties

Hazardous properties includes radioactive, toxic or explosive properties.

Hostile Fire

Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Impaired Property

Impaired property means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:

- it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate, or dangerous; or

Definitions
(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Medical Expense

Medical expenses means reasonable expenses for:

- first aid administered at the time of an accident;
- necessary medical, surgical, x-ray, and dental services, including prosthetic devices; and
- necessary ambulance, hospital, professional nursing and funeral services.

Mobile Equipment

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

A. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

B. vehicles maintained for use solely on or next to premises you own or rent;

C. vehicles that travel on crawler treads;

D. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

   1. power cranes, shovels, loaders, diggers or drills; or

   2. road construction or resurfacing equipment such as graders, scrapers or rollers;

E. vehicles not described in A., B., C. or D. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

   1. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

   2. cherry pickers and similar devices used to raise or lower workers; and

F. vehicles not described in A., B., C. or D. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

   1. equipment designed primarily for:

      a. snow removal;

      b. road maintenance, but not construction or resurfacing;

      c. street cleaning;

   2. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

   3. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

UTEX 000915

Definitions
(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Personal Injury

Personal injury means injury, other than **bodily injury**, arising out of one or more of the following offenses committed in the course of your business, other than your **advertising**:

A. false arrest, detention or imprisonment;

B. malicious prosecution;

C. the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person or persons occupy, by or on behalf of its owner, landlord or lessor;

D. oral or written publication of material that slanders or libels a person or organization;

E. oral or written publication of material that violates a person's right of privacy; or

F. discrimination (unless insurance thereof is prohibited by law) based on race, color, religion, sex, age or national origin; except when alleged, charged or suffered by any:

   1. applicant for employment;
   2. present or former **employee**; or
   3. prospective **employee**.

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed.

Products-Completed Operations Hazard

1. **Products-completed operations hazard** includes all **bodily injury** and **property damage** occurring away from premises you own or rent and arising out of **your product** or **your work** except:
   - products that are still in your physical possession; or
   - work that has not yet been completed or abandoned.
2. **Your work** will be deemed completed at the earliest of the following times:
   - when all of the work called for in your contract has been completed.
   - when all of the work to be done at the site has been completed if your contract calls for work at more than one site;
   - when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

   Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
3. This hazard does not include **bodily injury** or **property damage** arising out of:
   - the transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the **loading or unloading** of it;

UTEX 000917

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Your Product (continued)

Your product includes:

- warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and .
- the providing of or failure to provide warnings or instructions

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

Your Work

Your work means:

- work or operations performed by you or on your behalf; and
- materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

- warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**; and
- the providing of or failure to provide warnings or instructions.

UTEX 000919

Liability Insurance Section

Endorsements

UTEX 000920

CHUBB

Liability Insurance

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Policy Exclusions, the following exclusion is added:

Policy Exclusions

Millennium Date Change

This insurance does not apply to **bodily injury**, **property damage**, **advertising injury**, or **personal injury** arising out of:

A. the actual or potential inability of any:

- hardware, software, operating system, network, microprocessor;
- other computer, data processing or communications system equipment or component; or
- other system, equipment or component that communicates with any of the foregoing,

to accept, retrieve, recognize, understand, interpret, identify, distinguish, process, communicate or otherwise use:

- any date subsequent to December 31, 1999; or
- information or code which contains dates subsequent to December 31, 1999; or

B. the rendering of, or failure to render, any service or advice in connection with paragraph A. above.

UTEX 000921

CHUBB

Liability Insurance

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

GENERAL LIABILITY

The following changes are made as respects exposures in the state of Texas.

Under Bodily Injury/Property Damage Exclusions, the exclusion for Aircraft, Auto Or Watercraft is deleted and replaced by the following:

Bodily Injury/Property Damage Exclusions

Aircraft, Auto Or Watercraft

This insurance does not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, **loading or unloading**, or entrustment to others of any:

- aircraft;
- **auto**; or
- watercraft

which any **insured** owns, operates, rents or borrows.

This exclusion does not apply to:

A. watercraft on land at your premises;

B. watercraft that you do not own that is:

  1. less than 55 feet long; and
  2. not being used to carry persons or property for a charge;

C. parking an **auto** on, or on the ways next to, premises you own or rent, provided the **auto** is not owned by or rented or loaned to you or the **insured**.

UTEX 000923

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

GENERAL LIABILITY

The following changes are made as respects exposures in the state of Texas.

Under Bodily Injury/Property Damage Exclusions, the following exclusion is added:

Bodily Injury/Property Damage Exclusions

Nuclear Energy

A. This insurance does not apply to **bodily injury** or **nuclear 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 Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, 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 organizations 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 Expense coverage, this insurance does not apply 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.

UTEX 000925

Endorsement

Effective Date	JUNE 1, 2000
Policy Number	3534-59-69

When this insurance is excess, we will have no duty under **bodily injury**, **property damage**, **advertising injury** or **personal injury** coverages to defend any **insured** against a **suit** that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the **insured**'s rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- the total amount that all such other insurance would pay or the loss in the absence of this insurance; and
- the total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not purchased specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

Policy Exclusions

Nuclear Energy

Under Policy Exclusions, the Nuclear Energy exclusion is deleted.

All other terms and conditions remain unchanged.

Authorized Representative Robert Hamburger

UTEX 000927

CHUBB

Liability Insurance

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Limits Of Insurance, the following provision is added:

Limits of Insurance

Non Accumulation Of Limits Of Insurance

This policy is one of several policies issued by us or other member insurers of the Chubb Group of Insurance Companies to you, and/or your subsidiary companies, to conform with various state jurisdictional requirements. It is agreed that any claim or **suit** which could be covered under two or more of these policies will be covered under only the policy with the highest limit of insurance available or, if the limits are the same, under only one of the policies. Regardless of the number of claims or **suits**, the number of policies, or the number of additional **insureds** which could be involved, the combined total annual aggregate limits of liability under all such policies to which this endorsement is attached will not exceed the aggregates stated below for any one policy year:

$2,000,000	General Aggregate Limit
$2,000,000	Products-Completed Operations Aggregate Limit

All other terms and conditions remain unchanged.

Authorized Representative Robert Hamburger

UTEX 000928

CHUBB

Liability Insurance

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Bodily Injury/Property Damage Exclusions, the following exclusion is added:

Bodily Injury/Property Damage Exclusions

Aircraft Products

This insurance does not apply to **bodily injury** or **property damage** included within the **products-completed operations hazard** arising out of aircraft, missiles or spacecraft and any article or spare part used in connection therewith, including:

- air navigation systems or guidance systems;
- ground handling tools and equipment;
- training aids, instructions, manuals, blueprints, engineering or other data or advice; or
- services or labor relating to the foregoing.

All other terms and conditions remain unchanged.

Authorized Representative Robert Hamburger

UTEX 000929

CHUBB

Liability Insurance

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

GENERAL LIABILITY

Bodily Injury/Property Damage Exclusions

Employer's Liability

Under Bodily Injury/Property Damage Exclusions, the exclusion titled Employer's Liability is deleted.

A section titled Bodily Injury/Property Damage/Personal Injury Exclusions is added to the contract and the following exclusion is added:

Bodily Injury/Property Damage/Personal Injury Exclusions

Employer's Liability

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

A. an **employee** of the **insured** arising out of and in the course of:

   1. employment by the **insured**; or

   2. performing duties related to the conduct of the **insured**'s business;

B. an **employee** or former **employee** of any **insured**, whether or not arising out of or in the course of employment by any **insured**, or an applicant for employment with any **insured**, if the **bodily injury**, **property damage** or **personal injury** arises out of any:

   1. Refusal to employ;

UTEX 000930

CHUBB

Liability Insurance

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS
GENERAL LIABILITY

Blanket Waiver of Subrogation

The condition entitled "TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US" does not apply to any person or organization wherean "Insured" is required by written contract, signed prior to an occurrence to waive our rights of subrogation against that person or organization.

All other terms and conditions remain unchanged.

Authorized Representative Robert Hamburger

UTEX 000932

Common Policy Conditions Section

UTEX 000933

CHUBB

Policy Conditions

Schedule of Forms

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

The following is a schedule of forms issued as of the date shown above:

Form Number	Edition Date	Form Name	Effective Date	Date Issued
80-02-9090	4-94	COMMON POLICY CONDITIONS	06/01/00	06/16/00
80-02-9310	4-94	AMENDED CANCELLATION PROVISIONS	06/01/00	06/16/00
80-02-9310	4-94	UNINTENTIONAL ERRORS & OMISSIONS	06/01/00	06/16/00
80-02-9310	4-94	BROAD FORM NAMED INSURED	06/01/00	06/16/00
80-02-9310	4-94	KNOWLEDGE OF AN OCCURRENCE	06/01/00	06/16/00
80-02-9728	4-94	TEXAS MANDATORY - COMMON SECT.- CANCEL. TERMS	06/01/00	06/16/00

UTEX 000934

last page

CHUBB

Common Policy Conditions

Contract

Conditions

The following Conditions are included under each part of the policy, unless stated otherwise.

Audit Of Books And Records

We may audit your books and records as they relate to this insurance at any time during the term of this policy and up to three years afterwards.

Cancellation

The first named insured may cancel this policy or any of its individual coverages at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to take effect.

We may cancel this policy or any of its individual coverages at any time by sending to the first named insured a notice 60 days (20 days in the event of non-payment of premium) in advance of the cancellation date. Our notice of cancellation will be mailed to the first named insured's last known address, and will indicate the date on which coverage is terminated. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

The earned premium will be computed on a pro rata basis. Any unearned premium will be returned as soon as practicable.

Changes

This policy can only be changed by a written endorsement that becomes part of this policy. The endorsement must be signed by one of our authorized representatives.

Compliance By Insureds

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with all of the terms and conditions of the policy.

Conformance

Any terms of this insurance which are in conflict with the applicable statutes of the State in which this policy is issued are amended to conform to such statutes.

First Named Insured

The person or organization first named in the Declarations is primarily responsible for payment of all premiums. The first named insured will act on behalf of all other named insureds for the giving and receiving of notice of cancellation or nonrenewal and the receiving of any return premiums that become payable under this policy.

Inspections And Surveys

We may:

- make inspections and surveys at any time;
- give you reports on the conditions we find; and
- recommend changes.

UTEX 000935

COMMON POLICY ENDORSEMENTS

Common Policy Conditions Section

Endorsements

UTEX 000937

CHUBB

Policy Conditions

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

The following changes are made as respects exposures in the state of Texas.

Under Conditions, the provisions titled Cancellation and When We Do Not Renew are deleted and replaced by the following:

Conditions

Cancellation

The first named insured may cancel this policy or any of its individual coverages at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to take effect.

Cancellation By Us Of Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less and is not a renewal or continuation of a policy issued by us, we may cancel this policy or any of its individual coverages for any reason by mailing or delivering to the first named insured written notice of cancellation, stating the reason for cancellation, at least:

- 20 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- 60 days before the effective date of cancellation if we cancel for any other reason.

We may not cancel this policy solely because the named insured is an elected official.

Cancellation By Us Of Policies In Effect For More Than 60 Days

If this policy has been in effect for more than 60 days or is a renewal or continuation of a policy we issued, we may cancel this policy only for one or more of the following reasons:

1. failure to pay premiums when due;

UTEX 000938

CHUBB

Policy Conditions

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

Amended Cancellation Provisions

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

a. 20 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. 90 days before the effective date of cancellation if we cancel for any other reason.

All other terms and conditions remain unchanged.

Authorized Representative Robert Hamburger

UTEX 000940

CHUBB

Policy Conditions

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

Unintentional Errors and Omissions

The company shall not deny coverage as a result of an unintentional failure by you to give notice as respects any occurrence, provided notice is given as soon as practicable after becoming aware that this policy may apply to such occurrence.

All other terms and conditions remain unchanged.

Authorized Representative Robert Hamburger

UTEX 000941

CHUBB

Policy Conditions

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

Broad Form Named Insured

Any financially controlled subsidiary of yours; or any organization you newly acquire or form, other than a partnership, joint venture or a limited liability company, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. This coverage is effective on the formation or acquisition date.

All other terms and conditions remain unchanged.

Authorized Representative Robert Hamburger

UTEX 000942

CHUBB

Policy Conditions

Endorsement

Policy Period	JUNE 1, 2000 TO JUNE 1, 2001
Effective Date	JUNE 1, 2000
Policy Number	3534-59-69
Insured	UTEX INDUSTRIES, INC. APPLIED RUBBER TECHNOLOGY, INC.
Name of Company	GREAT NORTHERN INSURANCE COMPANY
Date Issued	JUNE 16, 2000

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

Knowledge of an Occurrence

Knowledge of an occurrence by your agent, servant or employee shall not constitute knowledge by you unless an executive officer, partner, procreator or risk manager employee has received such notice.

All other terms and conditions remain unchanged.

Authorized Representative Robert Hamburger

UTEX 000943