PLAINTIFF'S EXHIBIT

UTX-65

Dear Policyholder . . .

The Texas State Board of Insurance requires all insurers to provide each policyholder with the following special notice. Should you need any other assistance with your policy, please let us know.

COMPLAINT NOTICE: Should any dispute arise about your premiums or about a claim that you have filed, write to the company that issued the policy.

If the problem is not resolved, you may also write to the State Board of Insurance, Department C, 1110 San Jacinto, Austin, Texas 78786.

(This notice of complaint procedure is for information only and does not become a part or condition of this policy.)

NATIONWIDE INSURANCE COMPANY

Cas 3055—8-84

Priority ONE Business Insurance

COMMERCIAL UMBRELLA LIABILITY POLICY

NATIONWIDE INSURANCE
HOME OFFICE • COLUMBUS OHIO

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio
(Each a Mutual Insurance Company, Herein Called the Company)

NATIONWIDE PROPERTY AND CASUALTY INSURANCE COMPANY
Columbus, Ohio
(A Stock Insurance Company, Herein Called the Company)

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

INSURING AGREEMENTS

I. **Coverage.** The company will indemnify the insured for all sums which the insured shall become legally obligated to pay as damages and expenses, all as hereinafter defined as included within the term ultimate net loss, by reason of liability:

(a) imposed upon the insured by law, or

(b) under any contract or agreement other than liability assumed with respect to occurrences taking place prior to the time such contract or agreement became effective,

because of:

(a) personal injury,

(b) property damage,

(c) advertising offense,

caused by or arising out of each occurrence happening anywhere in the world.

II. **Defense, Settlement and Supplementary Payments.** The company shall have the right and duty to defend any suit against the insured seeking damages which are payable under the above Insuring Agreement, even if any of the allegations of such suit are groundless, false or fraudulent; provided, however, (a) that no other insurance affording a defense or indemnity against such suit is available to the insured and (b) that the suit is brought in the United States of America, its territories or possessions or Canada. If such suit is brought elsewhere, the company shall have the right but not the duty to defend the insured, but then it will pay such expenses for the defense as are incurred with its written consent (which shall not be unreasonably withheld). The company may make such investigation and settlement of any claim or suit as it deems expedient.

The company will pay, in addition to the applicable limit of liability, in any suit defended (or appealed) by the company:

(a) all expenses incurred by the company, all costs taxed against the insured in any such suit and all interest on the entire amount of any judgment therein which accrues after the 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, and 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, but the company shall have no obligation to apply for or furnish any such bond;

(c) 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 $50.00 per day, because of his attendance at hearings or trials at such request.

III. **Underlying Limit—Retained Limit.** The company shall be liable only for ultimate net loss resulting from any one occurrence in excess of either:

(a) the amounts of the applicable limits of liability of the underlying insurance: as stated in the Schedule of Underlying Insurances plus the applicable limits of any other underlying insurance collectible by the insured; less the amount, if any, by which any aggregate limit of such insurance has been reduced by payment of loss, hereinafter called the underlying limit, or

(b) if the insurance afforded by such underlying insurance is inapplicable to the occurrence, the amount stated in the Declarations as the retained limit.

The limit of liability of any underlying insurance policy shall be deemed applicable irrespective of any defense which the underlying insurer may assert because of the insured's failure to comply with any condition of the policy subsequent to an occurrence.

IV. **Limits of Liability.** Regardless of the number of persons and organizations who are insureds under this policy and regardless of the number of claims made and suits brought against any or all insureds, the total limit of the company's liability for ultimate net loss resulting from any one occurrence shall be the occurrence limit stated in the Declarations; provided, however, that the company's liability shall be further limited to the amount stated as the aggregate limit in the Declarations with respect to all ultimate net loss caused by one or more occurrences during each annual period while this policy is in force commencing from its effective date and arising out of either:

(a) the products hazard or completed operations hazard, or

(b) occupational diseases of employees of the insured, such aggregate limit applying separately, to (a) or (b).

In the event of the reduction or exhaustion of the aggregate limits of liability of the underlying insurances listed in the Declarations by reason of losses paid thereunder, this policy, subject to the above limitations,

(a) in the event of reduction, shall pay the excess of the reduced underlying limits, or

(b) in the event of exhaustion, shall continue in force as underlying insurance for the remainder of the policy year of the underlying policy.

V. **Persons or Entities Insured.**

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

(a) if the named insured is designated in Item 7 as a sole proprietor, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor; and the spouse of the named insured with respect to the conduct of such a business;

(b) if the named insured is designated in Item 7 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 Item 7 as other than a sole proprietor, partnership or joint venture, the organization so designated;

(d) except with respect to the ownership, maintenance or use, including loading and unloading, of any automobile,

(1) any executive officer, other employee, director or stockholder of the named insured while acting within the scope of his duties as such, and

(2) any person or organization while acting as agent with respect to real estate management for the named insured;

(e) with respect to the ownership, maintenance or use, including loading and unloading, of any automobile:

(1) owned by, loaned to or hired for use by or on behalf of the named insured, any person while using such automobile and any person or organization legally responsible for the use thereof, provided its actual use is with the permission of the named insured;

(2) not owned by, loaned to or hired for use by or on behalf of the named insured, any executive officer, director or stockholder of the named insured, but only while such automobile is being used in the business of the named insured;

but none of the following shall be an insured under this paragraph (e);

(i) any person while employed in or otherwise engaged in duties in connection with an automobile sales agency, repair shop, service station, storage garage or public parking place not operated by the named insured;

(ii) the owner or lessee (of whom the named insured is sub-lessee) of any automobile hired by or loaned to the named insured, and any agent or employee of such owner or lessee;

(f) any person or organization carrying insurance similar in kind and scope to the Underlying Insurance of the named insured for whom the named insured has agreed in writing to provide insurance such as is afforded by this policy, but only with respect to operations performed by the named insured or facilities owned or used by the named insured and subject to the applicable underlying limit for the named insured with respect to such operations or facilities;

(g) any other person or organization who is an insured under any policy of Underlying Insurances listed in Item I, subject to all the limitations upon coverage under such policy other than the limits of the underlying insured's liability.

This policy does not apply to personal injury, property damage or advertising offense 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 Item 1 as a named insured.

The insurance afforded applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the limits of the company's liability.

THIS POLICY IS SUBJECT TO THE FOLLOWING EXCLUSIONS:

This policy does not apply:

(a) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(b) to any employee as an insured with respect to personal injury to another employee of the same employer injured in the course of such employment, but this exclusion shall not apply to personal injury with respect to which insurance is afforded such insured by underlying insurance;

(c) to liability arising out of the ownership, maintenance, operation, use, loading or unloading of:

(1) a watercraft over 50 feet in length, if the occurrence takes place away from premises owned, rented or controlled by the named insured, or

(2) an aircraft,

if such watercraft or aircraft is owned or chartered without crew by or on behalf of the named insured; but this exclusion shall not apply to (a) liability arising out of operations performed by independent contractors, or (b) liability for personal injury to any employee of the insured arising out of and in the course of his employment by the insured;

(d) to property damage to: UTEX 000399

(1) property owned by the insured; or to

(2) the insured's products arising out of such products or any part of such products; or to

(3) work performed by or on behalf of the insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith; or to

(4) property rented to, occupied or used by or in the care, custody or control of the insured to the extent the insured is under contract to provide insurance therefore; or to

(5) any aircraft or watercraft rented to, used by, or in the care, custody or control of the insured or as to which the insured for any purpose is exercising physical control;

(e) to loss of use of tangible property which has not been physically injured or destroyed resulting from:

(1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or

(2) the failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;

(f) to damages claimed for the withdrawal, inspection, repair, replacement or loss of the use of the insured's products or work completed by or for the insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

(g) to damages arising out of advertising offense for:

(1) failure of performance of contract other than unauthorized appropriation of ideas based upon alleged breach of implied contract;

(2) infringement of registered trade mark, service mark or trade mark or trade name, other than titles or slogans, by the use thereof as the registered trade mark, service mark or trade name of goods or services sold, offered for sale or advertised;

(3) incorrect description of any article or commodity;

(4) mistake in advertised price;

(h) to personal injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

(i) to personal 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 liability assumed by the insured under any contract or agreement;

(j) to personal injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

THIS POLICY IS SUBJECT TO THE FOLLOWING NUCLEAR ENERGY EXCLUSION CLAUSE:

It is agreed that, with the exception of motor vehicles registered or principally garaged in the State of New York:

This policy does not apply to injury, sickness, disease, death or destruction:

(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 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; or

(3) resulting from the hazardous properties of nuclear material, if:

(a) the nuclear material (i) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (ii) has been discharged or dispersed therefrom; or

(b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this subparagraph (c) applies only to injury to or destruction of property at such nuclear facility.

As used herein:

"**hazardous properties**" include radioactive, toxic or explosive properties;

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"**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 (a) containing **byproduct material** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and (b) resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of a **nuclear facility**;

"**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;

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

THIS POLICY (INCLUDING ENDORSEMENTS FORMING A PART HEREOF) IS SUBJECT TO THE FOLLOWING DEFINITIONS:

"**advertising offense**" means liability for damages which occur during the policy period arising out of the named insured's advertising activities for:

1. libel, slander or defamation;

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2. infringement of copyright or of title or of slogan;
3. piracy or unfair competition or idea misappropriation under an implied contract;
4. invasion of right of privacy;

committed or alleged to have been committed in any advertisement, publicity article, broadcast or telecast;

"**aircraft**" means any heavier or lighter than air vehicle designed to transport persons or property in the air;

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

"**completed operations hazard**" includes personal 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 personal injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the 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 insured under the contract have been completed,
2. when all operations to be performed by or on behalf of the 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 had been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as 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 personal injury or property damage arising out of:

(a) operations in connection with the transportation of property, unless the personal injury or property damage arising 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;

"**insured**" means any person or organization qualifying as an insured under the Persons or Entities Insured section of this policy. 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;

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

"**mobile equipment**" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled,

(1) not subject to motor vehicle registration, or

(2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining, or

(3) designed for use principally off public roads, or

(4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"**named insured**" means the organization named in the Declarations of this policy and any subsidiary, owned or controlled companies as now or hereafter constituted and of which prompt notice has been given to the company;

"**occurrence**" means an accident, including continuous or repeated exposure to conditions, which results in personal injury or property damage neither expected nor intended from the standpoint of the insured;

"**personal injury**" means:

1. bodily injury, sickness, disease, disability or shock, including death arising at any time therefrom, or, if arising out of the foregoing, mental anguish and mental injury;

2. false arrest, false imprisonment, wrongful eviction, wrongful detention, or malicious prosecution; or

3. libel, slander, defamation of character, humiliation, or invasion of the rights of privacy, unless arising out of advertising activities;

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

"**property damage**" means:

1. physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom,

2. loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period;

"**retained limit**" is the amount, stated as such in the Declarations, of ultimate net loss resulting from any one occurrence if the insurance afforded by the underlying insurance is inapplicable to such occurrence;

"**ultimate net loss**" means the total of the following sums arising with respect to each ocurrence to which this policy applies:

(a) all sums which the insured, or any organization as his insurer, or both, becomes legally obligated to pay as damages, whether by reason of adjudication or settlement, because of personal injury, property damage or advertising liability; and

(b) all expenses incurred by the insured in the investigation, negotiation, settlement and defense of any claim or suit seeking such damages, excluding only the salaries of the insured's regular employees.

THIS POLICY IS SUBJECT TO THE FOLLOWING CONDITIONS:

1. **Premium**

The premium for this policy shall be based upon the rating basis as set forth in the Declarations, and shall be either a flat premium charge or computed at the rate set forth in the Declarations applied to each unit of exposure so designated. The advance premium is based upon the estimated exposures for the policy period as stated in the Declarations.

Upon expiration of this policy or its termination during the policy period, the earned premium shall be computed as thus defined. If the earned premium thus computed is more than the advance premium paid, the named insured shall immediately pay the excess to the company, if less, the company shall return the difference to the named insured.

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 or healthful or are in compliance with any law, rule, regulation or code.

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

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

(a) In the event of an occurrence which is likely to involve this contract, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable.

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

(c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of personal injury or property damage or advertising offense 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; however, in the event that the amount of ultimate net loss becomes certain either through trial court judgment or agreement among the insured, the claimant and the company, then, the insured may pay the amount of ultimate net loss to the claimant to effect settlement and, upon submission of due proof thereof, the company shall indemnify the insured for that part of such payment which is in excess of the underlying limit, or, the company will, upon request of the insured, make such payment to the claimant on behalf of the insured.

4. **Action Against Company**

No action shall lie against the company with respect to any one occurrence unless, as a condition precedent thereto, the insured shall have fully complied with all the terms of this policy, nor until the amount of the insured's obligation to pay an amount of ultimate net loss in excess of the underlying limit 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. The insured shall make a definite claim for any loss in which the company may be liable within a reasonable

time after such final determination. If any subsequent payments are made by the insured on account of the same occurrence, the insured shall make additional claims from time to time and these claims shall be payable within thirty (30) days after proof in conformity with this policy. 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. Nothing contained in this policy shall give any person or organization any right to join the company as a co-defendant in any action against the insured to determine the insured's liability.

Bankruptcy or insolvency of the insured shall not relieve the company of any of its obligations hereunder.

5. **Appeals**

In the event the insured or the insured's underlying insurers elect not to appeal a judgment in excess of the underlying limits the company may elect to make such appeal at its cost and expense, and shall be liable for the taxable cost, disbursements and interest incidental thereto, but in no event shall the liability of the company for ultimate net loss exceed the amount set forth in the Declarations for any one occurrence and in addition the cost and expense of such appeal.

6. **Other Insurance**

The insurance afforded by this policy shall be excess insurance over any other valid and collectible insurance available to the insured, whether or not described in the Schedule of Underlying Insurances (except insurance purchased to apply in excess of the sum of the underlying limit or retained limit and the limit of liability hereunder) and applicable to any part of ultimate net loss, whether such other insurance is stated to be primary, contributing, excess or contingent; provided that if such other insurance provides indemnity only in excess of a stated amount of liability per occurrence, the insurance afforded by this policy shall contribute therewith with respect to such part of ultimate net loss as is covered hereunder but the company shall not be liable for a greater proportion of such loss than the amount which would have been payable under this policy bears to the sum of said amount and the amounts which would have been payable under each other excess indemnity policy applicable to such loss, had each such policy been the only policy so applicable.

7. **Subrogation**

The company shall be subrogated to the extent of any payment hereunder to all the insured's rights of recovery therefore; and the insured shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. Any amount so recovered shall be apportioned as follows:

Any interest (including the insured's) having paid an amount in excess of the underlying limit plus the limit of liability hereunder shall be reimbursed first to the extent of actual payment. The company shall be reimbursed next to the extent of its actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse the insured or any underlying insurer, as their interest may appear. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted solely by the company, it shall bear the expenses thereof.

8. **Changes**

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

9. **Assignment**

Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded by this policy shall apply:

(a) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such, and

(b) 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 mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in this policy, written notice stating when not less than thirty (30) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing.

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

12. **Maintenance of Underlying Insurances**

It is a condition of this policy that the policy or policies referred to in the Schedule of Underlying Insurance including renewal or replacements thereof not more restrictive, shall be maintained, without alteration of terms or conditions, in full effect during the currency of the policy except for any reduction or exhaustion of the aggregate limit contained therein solely by payment of claims in respect of occurrences taking place during the period of this policy. Failure of the insured to comply with the foregoing shall not invalidate this policy but in the event of such failure the company shall be liable hereunder only to the extent that it would have been liable had the insured complied therewith.

In the event there is no recovery available to the insured as a result of insolvency of the underlying insurer or by reason of the insured having breached the contract of underlying insurance, the coverage hereunder shall apply in excess of the applicable limit of liability specified in the Schedule of Underlying Insurance.

Upon notice that any aggregate limit of liability under any policy of underlying insurance has been exhausted, the named insured shall immediately make all reasonable efforts to reinstate such limits.

The named insured shall give the company written notice as soon as practicable of any change in the scope of coverage or in the amount of limits of insurance under any underlying insurance, and of the termination of any coverage or exhaustion of aggregate limits of any underlying insurer's liability.

13. **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.

MUTUAL POLICY CONDITIONS

(Applicable Only in the Nationwide Mutual Insurance Company or the Nationwide Mutual Fire Insurance Company in All States Except Those Specifically Provided For)

1. **MUTUALITY.** The named insured is a member of the company issuing this policy so long as this policy is in force. The named insured is entitled to one vote, either in person or by proxy, at meetings of members of said company and such dividends as may be declared by the Board of Directors. Upon cancellation or other termination of the policy, the named insured ceases to be a member.

2. **NO CONTINGENT LIABILITY.** The policy is non-assessable.

3. **DATE OF ANNUAL MEETING.** The annual meeting of the members of the Nationwide Mutual Insurance Company shall be held at the Home Office at Columbus, Ohio, on the first Thursday of April at 10:00 A.M.; the annual meeting of the members of the Nationwide Mutual Fire Insurance Company shall be held at the Home Office at Columbus, Ohio, on the first Thursday of April at 9:30 A.M. In case the Board of Directors of either company shall elect to change the time and place of such meeting, due notice shall be mailed or delivered to each member at the address last known to the company at least 10 days prior thereto.

MUTUAL POLICY CONDITIONS

(Applicable Only in the Nationwide Mutual Insurance Company or the Nationwide Mutual Fire Insurance Company When This Policy is Issued in The State of Texas)

1. **MUTUALS—MEMBERSHIP AND VOTING NOTICE.** The named insured is notified that by virtue of this policy the named insured is a member of the Nationwide Mutual Insurance Company of Columbus, Ohio or the Nationwide Mutual Fire Insurance Company of Columbus, Ohio as shown on the Declaration Page of this policy and is entitled, as is lawfully provided in the charter, constitution, and by-laws, to only one vote regardless of the number of policies owned either in person or by proxy in any or all meetings of said company. The Annual Meetings are held in its Home Office, at Columbus, Ohio, on the first Thursday of April, in each year, at 9:30 o'clock A.M. for the Nationwide Mutual Fire Insurance Company and 10:00 o'clock A.M. of the same day for the Nationwide Mutual Insurance Company.

2. **MUTUALS—PARTICIPATION CLAUSE WITHOUT CONTINGENT LIABILITY.** No Contingent Liability: This policy is non-assessable. The Policyholder is a member of the company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in the distribution of dividends so fixed and determined provided such determinations are in accordance with the provisions of the Texas Insurance Code and other applicable law, which includes the rules and regulations of the State Board of Insurance.

IN WITNESS WHEREOF: Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company or Nationwide Property and Casualty Insurance Company, whichever is the issuing company as designated on the Declarations, has caused this policy to be signed by its President and Secretary at Columbus, Ohio, and countersigned by a duly authorized representative of the company.

ATTEST:

M. E. Fitzpatrick
Secretary

Paul A. Donald
President

UTEX 000406

Priority ONE Business Insurance

COMMERCIAL UMBRELLA LIABILITY POLICY

NATIONWIDE INSURANCE
HOME OFFICE • COLUMBUS, OHIO

ISSUED BY:
- [X] NATIONWIDE MUTUAL INSURANCE COMPANY
- [ ] NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
- [ ] NATIONWIDE PROPERTY AND CASUALTY INSURANCE COMPANY

DECLARATIONS

POLICY NUMBER
78CU 001-347 0004

REPLACED OR TRANSFERRED FROM POLICY NUMBER

Item 1. Named Insured and Address

UTEX Industries Inc.
(et.al. Cas 2931)
P.O. Box 79227
Houston, TX 77079

Item 2. Policy Period: From MO 1 DAY 1 YEAR 1986 to MO 1 DAY 1 YEAR 1987 At 12:01 A.M., Standard Time, at the address of the named insured as stated herein.

Item 3. Schedule of Underlying Insurances (named insured agrees to maintain the following underlying coverages during the term of this policy).

Carrier, Policy Number, Period	Coverage	Limits
Nationwide Mutual Ins. Co. 78GA 001-347 0002 1-1-86 to 1-1-87	General Liability	500,000 CSL
Nationwide Prop. & Cas. Ins. Co. 78FL 001-347 0001 1-1-86 to 1-1-87	Commercial Auto including hired and non owned	500,000 CSL
Nationwide Mutual Ins. Co. 78WC 001-347 0003 1-1-86 to 1-1-87	Employers Liability UTEX 000407	BI by Accident $100,000 each accident BI by Disease $500,000 policy limit BI by Disease $100,000 each employee

Item 4. Amount of ultimate net loss to be borne by insured as respects each occurrence not covered by underlying insurances (retained limit): $ 25,000

Item 5. Limit of Liability:
(a) Limit of each occurrence on account of personal injury, property damage or advertising offense, or any combination thereof. $ 5,000,000.00
(b) Limit in the aggregate for each annual period where applicable $ 5,000,000.00

Item 6. Premium: Endts: 12,18,20,31a,33a,14,35,CAS 2853,CAS 2931

Advance Policy Premium $ 10,200. ; If a 3 yr. policy payable in annual payments: (2nd) $; (3rd) $

Annual Premium Computation

NOT SUBJECT TO AUDIT		SUBJECT TO AUDIT	
		Basis of Premium	[ ] Sales [ ] Payroll [ ] Other
$ 10,200.	Flat Premium Charge	Estimated Exposure	$
		Rate Per Unit of Exposure	$
		Estimated Annual Advance Premium	$
		Annual Minimum Premium	$

Item 7. The Legal Entity is: [ ] Sole Proprietorship [ ] Partnership [X] Corporation [ ] Other: _____

Item 8. In the event of cancellation by the named insured, Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company or Nationwide Property and Casualty Insurance Company shall receive and retain not less than $ 1,000. as the Minimum Premium

Countersignature Date 1-1-86 Agency at San Antonio, TX

Agent & No. Jesse Barrier #0333

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #12

CONTRACTUAL LIABILITY EXCLUSION

This policy does not apply to Personal Injury, Property Damage, or Advertising Liability arising out of liability assumed by the Insured under any contract or agreement except for an "incidental contract", as defined in the underlying general liability policy set forth in the Schedule of Underlying Insurance.

UTEX 000408

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached.

Attached to and forming part of policy number.	Effective at 12:01 A.M. on policy effective date or on _____ (whichever is later). Mo Day Year	This endorsement supersedes any prior endorsement numbered:

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached; it is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to:

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick Secretary Paul A. Gould President

Countersigned at: Authorized Representative:

Auto 408-L—6-83 PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT.

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #18

EMPLOYEE RETIREMENT INCOME SECURITY ACT EXCLUSION

This policy does not apply to any injury, loss, claim or liability arising out of the Employee Retirement Income Security Act of 1974, as now or hereafter amended.

UTEX 000409

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number	Effective at 12:01 A.M. on policy effective date or on _____ (whichever is later). Mo Day Year	This endorsement supersedes any prior endorsement numbered

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached; it is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick Secretary Paul A. Gould President

Countersigned at: Authorized Representative

Auto 408-L—6-83 PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT.

OFFICE USE	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #20

EXPLOSION, COLLAPSE & UNDERGROUND HAZARDS

This policy does not apply to:

A. Property Damage included within (1) the Explosion Hazard, (2) the Collapse Hazard, or (3) the Underground Property Damage Hazard as defined herein:

1. Explosion Hazard includes Property Damage arising out of blasting or explosion. The Explosion Hazard does not include Property Damage (i) arising out of the explosion of air steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment, or (ii) arising out of operations performed for the Named Insured by independent contractors, or (iii) included within the Completed Operations Hazard or the Underground Property Damage Hazard;

2. Collapse Hazard includes, "Structural Property Damage" as defined herein and Property Damage to any other property at any time resulting therefrom. "Structural Property Damage" means the collapse of or structural injury to any building or structure due to (i) grading of land, excavating, borrowing, filling, back-filling, tunnelling, pile driving, cofferdam work or caisson work or (ii) moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support thereof. The Collapse Hazard does not include Property Damage (i) arising out of operations performed for the Named Insured by independent contractors, or (ii) included within the Completed Operations Hazard or the Underground Property Damage Hazard:

UTEX 000410

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached.

Attached to and forming part of policy number:	Effective at 12:01 A.M. on policy effective date or on _____ (whichever is later). Mo Day Year	This endorsement supersedes any prior endorsement numbered:

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached; it is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick Secretary Paul A. Gould President

Countersigned at: Authorized Representative:

Auto 408-L—6-83 PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #20

PAGE TWO

3. Underground Property Damage Hazard includes Underground Property Damage as defined herein and Property Damage to any other property at any time resulting therefrom. Underground Property Damage means Property Damage to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, borrowing, filling, back-filling or pile driving. The underground Property Damage Hazard does not include Property Damage (i) arising out of operations performed for the Named Insured by independent contractors, or (ii) included within the Completed Operations Hazard.

UTEX 000411

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached.

Attached to and forming part of policy number:	Effective at 12:01 A.M. on policy effective date or on _____ (Mo Day Year) (whichever is later).	This endorsement supersedes any prior endorsement numbered:

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached; it is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to:

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick Secretary Paul A. Gould President

Countersigned at: Authorized Representative:

Auto 408-L—6-83 PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT.

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #31a

POLLUTION EXCLUSION - ABSOLUTE

In consideration of a return premium of $Included it is agreed that the following amends coverage:

This policy does not apply to Personal Injury or Property Damage arising out of the discharge, dispersal, release, escape of seepage of oil, petroleum, substances or derivatives (including any oil refuse or oil mixed with wastes), smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse, body of water, bog, marsh, swamp or wetland, whether or not such discharge, dispersal, release or escape is sudden and accidental, or gradual and accidental.

INSURED: UTEX Industries Inc. et.al.

Please sign one copy and return as soon as possible.

UTEX 000412

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached.

Attached to and forming part of policy number	Effective at 12:01 A.M. on policy effective date or on _____ (Mo Day Year) (whichever is later).	This endorsement supersedes any prior endorsement numbered:

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached. It is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick Secretary Paul A. Gould President

Countersigned at: Authorized Representative

Auto 408-L—6-83 PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #31a

POLLUTION EXCLUSION - ABSOLUTE

In consideration of a return premium of **$Included** it is agreed that the following amends coverage:

This policy does not apply to Personal Injury or Property Damage arising out of the discharge, dispersal, release, escape of seepage of oil, petroleum, substances or derivatives (including any oil refuse or oil mixed with wastes), smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse, body of water, bog, marsh, swamp or wetland, whether or not such discharge, dispersal, release or escape is sudden and accidental, or gradual and accidental.

INSURED: **UTEX Industries Inc. et.al.**

Please sign one copy and return as soon as possible.

UTEX 000413

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached.

Attached to and forming part of policy number	Effective at 12:01 A.M. on policy effective date or on _____ (Mo. Day Year) (whichever is later).	This endorsement supersedes any prior endorsement numbered:

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached; it is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to:

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick, Secretary Paul A. Gould, President

Countersigned at: Authorized Representative:

Auto 408-L—6-83 PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #33a

PRODUCTS/COMPLETED OPERATIONS - EXCLUSION

This policy does not apply to Personal Injury or Property Damage arising out of the Named Insured's products or the Completed Operations Hazard.

UTEX 000414

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number.	Effective at 12:01 A.M. on policy effective date or on _____ (whichever is later). Mo Day Year	This endorsement supersedes any prior endorsement numbered

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached; it is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to:

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick Secretary Paul A. Gould President

Countersigned at: Authorized Representative

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE: M.O.C. Due Date Change name from State ( ) County ( ) Region ( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #14

CROSS SUITS EXCLUSION

This policy does not apply to Personal Injury or Property Damage sustained by any Insured whether or not such Personal Injury or Property Damage arises out of the activities or operations of any other Insured.

UTEX 000415

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached.

Attached to and forming part of policy number.	Effective at 12:01 A.M. on policy effective date or on _____ (Mo Day Year) (whichever is later).	This endorsement supersedes any prior endorsement numbered:

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached; it is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick Secretary Paul A. Gerhold President

Countersigned at: Authorized Representative

Auto 408-L—6-83 PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT.

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #35

PROPERTY DAMAGE EXCLUSION

This policy does not apply to:

A. 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;

B. 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.

UTEX 000416

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached.

Attached to and forming part of policy number:	Effective at 12:01 A.M. on policy effective date or on _____ (whichever is later). Mo Day Year	This endorsement supersedes any prior endorsement numbered.

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached; it is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to:

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick, Secretary Paul A. Donald, President

Countersigned at: Authorized Representative:

Auto 408-L—6-83 PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

ENDORSEMENT
33-43
AMENDMENT OF COMMERCIAL UMBRELLA LIABILITY POLICY — TEXAS

It is agreed that:

1. The first paragraph of Insuring Agreement II "Defense, Settlement and Supplementary Payments" is amended to read:

   II. Defense, Settlement and Supplementary Payments

   The company shall have the right to defend any suit against the insured seeking damages which are payable under the above Insuring Agreement, even if any of the allegations of such suit are groundless, false or fraudulent; provided, however, (a) that no other insurance affording a defense or indemnity against such suit is available to the insured and (b) that the suit is brought in the United States of America, its territories or possessions or Canada. If such suit is brought elsewhere, the company shall have the right to defend the insured, but then it will pay such expenses for the defense as are incurred with its written consent (which shall not be unreasonably withheld). The company may make such investigation and settlement of any claim or suit as it deems expedient.

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

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

   (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 personal injury or property damage or advertising offense 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; however, in the event that the amount of ultimate net loss becomes certain either through trial court judgment or agreement among the insured, the claimant and the company, then, the insured may pay the amount of ultimate net loss to the claimant to effect settlement and, upon submission of due proof thereof, the company shall indemnify the insured for that part of such payment which is in excess of the underlying limit.

This endorsement must be attached to the Change Endorsement when issued after the policy is written

Cas. 2853—4-84

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

NAMED INSURED
ENDTS. NO. 1

1. UTEX Industries, Inc.
2. XENOX, Inc., A Subsidiary of UTEX Industries, Inc.
3. XENTEX, Inc., A Subsidiary of UTEX Industries, Inc.
4. XENCOR, Inc., A Subsidiary of UTEX Industries, Inc.
5. XENPAX, Inc., A Subsidiary of UTEX Industries, Inc.

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number:	Effective at 12:01 A.M. on policy effective date or on _____ (Mo Day Year) (whichever is later).	This endorsement supersedes any prior endorsement numbered:

rmc

This endorsement is executed by the company designated on the Declarations
Page
Issued to.

Countersigned at:

Authorized Representative:

UTEX 000418

Cas 2931—4-84 PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT.

Priority ONE Business Insurance

COMMERCIAL UMBRELLA LIABILITY POLICY

NATIONWIDE INSURANCE
HOME OFFICE • COLUMBUS, OHIO

ISSUED BY:
- [X] NATIONWIDE MUTUAL INSURANCE COMPANY
- [ ] NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
- [ ] NATIONWIDE PROPERTY AND CASUALTY INSURANCE COMPANY

DECLARATIONS

POLICY NUMBER
78CU 001-347 0004

REPLACED OR TRANSFERRED FROM POLICY NUMBER

Item 1. Named Insured and Address

UTEX Industries Inc.
(et.al. Cas 2931)
P.O. Box 79227
Houston, TX 77079

Item 2. Policy Period. From

MO	DAY	YEAR
1	1	1986

to

MO	DAY	YEAR
1	1	1987

At 12:01 A.M., Standard Time, at the address of the named insured as stated herein

Item 3. Schedule of Underlying Insurances (named insured agrees to maintain the following underlying coverages during the term of this policy)

Carrier, Policy Number, Period	Coverage	Limits
Nationwide Mutual Ins. Co. 78GA 001-347 0002 1-1-86 to 1-1-87	General Liability	500,000 CSL
Nationwide Prop. & Cas. Ins. Co. 78FL 001-347 0001 1-1-86 to 1-1-87	Commercial Auto including hired and non owned	500,000 CSL
Nationwide Mutual Ins. Co. 78WC 001-347 0003 1-1-86 to 1-1-87	Employers Liability	BI by Accident $100,000 each accident BI by Disease $500,000 policy limit BI by Disease $100,000 each employee

UTEX 000419

Item 4. Amount of ultimate net loss to be borne by insured as respects each occurrence not covered by underlying insurances (retained limit) $ 25,000

Item 5. Limit of Liability

(a) Limit of each occurrence on account of personal injury, property damage or advertising offense, or any combination thereof $ 5,000,000.00

(b) Limit in the aggregate for each annual period where applicable $ 5,000,000.00

Item 6 Premium Endts: 12,18,20,31a,33a,14,35,CAS 2853,CAS 2931

Advance Policy Premium $ 10,200. If a 3 yr policy payable in annual payments (2nd) $ (3rd) $

Annual Premium Computation			
NOT SUBJECT TO AUDIT		SUBJECT TO AUDIT	
		Basis of Premium	[ ] Sales [ ] Payroll [ ] Other
$ 10,200.	Flat Premium Charge	Estimated Exposure	$
		Rate Per Unit of Exposure	$
		Estimated Annual Advance Premium	$
		Annual Minimum Premium	$

Item 7 The Legal Entity is [ ] Sole Proprietorship [ ] Partnership [X] Corporation [ ] Other

Item 8 In the event of cancellation by the named insured Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company or Nationwide Property and Casualty Insurance Company, shall receive and retain not less than $ [illegible] as the Minimum Premium

Countersignature Date 1-1-86 Agency at San Antonio, TX

Cas 29UB-4 84 Agent & No. Jesse Barrier [illegible]

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #12

CONTRACTUAL LIABILITY EXCLUSION

This policy does not apply to Personal Injury, Property Damage, or Advertising Liability arising out of liability assumed by the Insured under any contract or agreement except for an "incidental contract", as defined in the underlying general liability policy set forth in the Schedule of Underlying Insurance.

UTEX 000420

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number	Effective at 12:01 A.M. on policy effective date or on _____ (Mo. Day Year) (whichever is later).	This endorsement supersedes any prior endorsement numbered

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached. It is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick — Secretary
David L. Headley — President

Countersigned at

Authorized Representative

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #18

EMPLOYEE RETIREMENT INCOME SECURITY ACT EXCLUSION

This policy does not apply to any injury, loss, claim or liability arising out of the Employee Retirement Income Security Act of 1974, as now or hereafter amended.

UTEX 000421

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number	Effective at 12 01 A.M. on policy effective date or on _____ (whichever is later) (M / Day / Year)	This endorsement supersedes any prior endorsement numbered

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached. It is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached

Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

Countersigned at (Authorized Representative)

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #20

EXPLOSION, COLLAPSE & UNDERGROUND HAZARDS

This policy does not apply to:

A. Property Damage included within (1) the Explosion Hazard, (2) the Collapse Hazard, or (3) the Underground Property Damage Hazard as defined herein:

1. Explosion Hazard includes Property Damage arising out of blasting or explosion. The Explosion Hazard does not include Property Damage (i) arising out of the explosion of air steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment, or (ii) arising out of operations performed for the Named Insured by independent contractors, or (iii) included within the Completed Operations Hazard or the Underground Property Damage Hazard;

2. Collapse Hazard includes, "Structural Property Damage" as defined herein and Property Damage to any other property at any time resulting therefrom. "Structural Property Damage" means the collapse of or structural injury to any building or structure due to (i) grading of land, excavating, borrowing, filling, back-filling, tunnelling, pile driving, cofferdam work or caisson work or (ii) moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support thereof. The Collapse Hazard does not include Property Damage (i) arising out of operations performed for the Named Insured by independent contractors, or (ii) included within the Completed Operations Hazard or the Underground Property Damage Hazard:

UTEX 000422

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number	Effective at 12:01 A.M. on policy effective date or on _____ (whichever is later). Mo Day Year	This endorsement supersedes any prior endorsement numbered

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached. It is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached

Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick, Secretary — [signature], President

Countersigned at

Authorized Representative

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #20

PAGE TWO

3. Underground Property Damage Hazard includes Underground Property Damage as defined herein and Property Damage to any other property at any time resulting therefrom. Underground Property Damage means Property Damage to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, borrowing, filling, back-filling or pile driving. The underground Property Damage Hazard does not include Property Damage (i) arising out of operations performed for the Named Insured by independent contractors, or (ii) included within the Completed Operations Hazard.

UTEX 000423

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number	Effective at 12:01 A.M. on policy effective date or on _____ (whichever is later) Mo. Day Year	This endorsement supersedes any prior endorsement numbered

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached. It is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

Secretary President

Countersigned at

Authorized Representative

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #31a

POLLUTION EXCLUSION - ABSOLUTE

In consideration of a return premium of $Included it is agreed that the following amends coverage:

This policy does not apply to Personal Injury or Property Damage arising out of the discharge, dispersal, release, escape of seepage of oil, petroleum, substances or derivatives (including any oil refuse or oil mixed with wastes), smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse, body of water, bog, marsh, swamp or wetland, whether or not such discharge, dispersal, release or escape is sudden and accidental, or gradual and accidental.

INSURED: UTEX Industries Inc. et.al.

UTEX 000424

Please sign one copy and return as soon as possible.

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number	Effective at 12:01 A.M. on policy effective date or on _____ (Mo. Day Year) (whichever is later)	This endorsement supersedes any prior endorsement numbered

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached. It is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

Secretary — President

Countersigned at

Authorized Representative

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #31a

POLLUTION EXCLUSION - ABSOLUTE

In consideration of a return premium of $**Included** it is agreed that the following amends coverage:

This policy does not apply to Personal Injury or Property Damage arising out of the discharge, dispersal, release, escape of seepage of oil, petroleum, substances or derivatives (including any oil refuse or oil mixed with wastes), smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse, body of water, bog, marsh, swamp or wetland, whether or not such discharge, dispersal, release or escape is sudden and accidental, or gradual and accidental.

INSURED: **UTEX Industries Inc. et.al.**

Please sign one copy and return as soon as possible.

UTEX 000425

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number	Effective at 12:01 A.M. on policy effective date or on _____ (whichever is later) (M / Day / Year)	This endorsement supersedes any prior endorsement numbered

If this endorsement is executed by Nationwide Mutual Insurance Company it said Company has issued the policy to which this endorsement is attached. If executed by Nationwide Mutual Fire Insurance Company it said Company has issued the policy to which this endorsement is attached.
Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

Secretary - President

Countersigned at

Authorized Representative

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF YOUR

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #33a

PRODUCTS/COMPLETED OPERATIONS - EXCLUSION

This policy does not apply to Personal Injury or Property Damage arising out of the Named Insured's products or the Completed Operations Hazard.

UTEX 000426

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number	Effective at 12:01 A.M. on policy effective date or on _____ (Mo. Day Year) (whichever is later)	This endorsement supersedes any prior endorsement numbered

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached. It is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached.
Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

Countersigned at

Authorized Representative

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #14

CROSS SUITS EXCLUSION

This policy does not apply to Personal Injury or Property Damage sustained by any Insured whether or not such Personal Injury or Property Damage arises out of the activities or operations of any other Insured.

UTEX 000427

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number	Effective at 12 01 A M on policy effective date or on _____ (whichever is later). (Mo. Day, Year)	This endorsement supersedes any prior endorsement numbered

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached It is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached
Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

Secretary — President

Countersigned at

Authorized Representative

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

OFFICE USE:	M.O.C.	Due Date	Change name from	State	County	Region
				( )	( )	( )

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

UMBRELLA ENDORSEMENT #35

PROPERTY DAMAGE EXCLUSION

This policy does not apply to:

A. 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;

B. 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.

UTEX 000428

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number.	Effective at 12 01 A.M on policy effective date or on _____ (whichever is later) Mo. Day Year	This endorsement supersedes any prior endorsement numbered.

This endorsement is executed by Nationwide Mutual Insurance Company if said Company has issued the policy to which this endorsement is attached it is executed by Nationwide Mutual Fire Insurance Company if said Company has issued the policy to which this endorsement is attached

Issued to

NATIONWIDE MUTUAL INSURANCE COMPANY
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY
Columbus, Ohio

M. E. Fitzpatrick, Secretary — [signature], President

Countersigned at

Authorized Representative

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT

ENDORSEMENT
33-43
AMENDMENT OF COMMERCIAL UMBRELLA LIABILITY POLICY — TEXAS

It is agreed that:

1. The first paragraph of Insuring Agreement II "Defense, Settlement and Supplementary Payments" is amended to read:

   II. Defense, Settlement and Supplementary Payments

   The company shall have the right to defend any suit against the insured seeking damages which are payable under the above Insuring Agreement, even if any of the allegations of such suit are groundless, false or fraudulent; provided, however, (a) that no other insurance affording a defense or indemnity against such suit is available to the insured and (b) that the suit is brought in the United States of America, its territories or possessions or Canada. If such suit is brought elsewhere, the company shall have the right to defend the insured, but then it will pay such expenses for the defense as are incurred with its written consent (which shall not be unreasonably withheld). The company may make such investigation and settlement of any claim or suit as it deems expedient.

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

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

   (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 personal injury or property damage or advertising offense 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; however, in the event that the amount of ultimate net loss becomes certain either through trial court judgment or agreement among the insured, the claimant and the company, then, the insured may pay the amount of ultimate net loss to the claimant to effect settlement and, upon submission of due proof thereof, the company shall indemnify the insured for that part of such payment which is in excess of the underlying limit.

This endorsement must be attached to the Change Endorsement when issued after the

ENDORSEMENT

Subject to all other terms and conditions of the policy, it is understood and agreed that the policy stated below is hereby amended as follows:

NAMED INSURED
ENDTS. NO. 1

1. UTEX Industries, Inc.
2. XENOX, Inc., A Subsidiary of UTEX Industries, Inc.
3. XENTEX, Inc., A Subsidiary of UTEX Industries, Inc.
4. XENCOR, Inc., A Subsidiary of UTEX Industries, Inc.
5. XENPAX, Inc., A Subsidiary of UTEX Industries, Inc.

The following item shall be completed if this endorsement is not referred to by number in the policy to which this endorsement is attached

Attached to and forming part of policy number	Effective at 12:01 A.M. on policy effective date or on ____ (Mo) ____ (Day) ____ (Year) (whichever is later)	This endorsement supersedes any prior endorsement numbered

This endorsement is executed by the company designated on the Declarations Page
Issued to

Countersigned at: Authorized Representative

PLEASE ATTACH THIS ENDORSEMENT TO YOUR POLICY AS IT CONSTITUTES AN IMPORTANT PART OF THE CONTRACT