

FEDERAL AND STATE LAW ENFORCEMENT PROFESSIONAL LIABILITY

Conifer Insurance Company located in Southfield, Michigan, having issued a Master Policy Number CIFE000004 effective 1/1/18 to 1/1/20 (hereinafter referred to as the "Master Policy") to the Risk Purchasing Group located in Caledonia, Michigan, hereby certifies that the individual members of the above-referenced Risk Purchasing group, listed by endorsement in the Schedule of Insurance and attached and made a part hereto as named in the application for coverage under the "Master Policy", is insured under the "Master Policy" subject to all the terms, conditions, coverages, coverage limits, exclusions and endorsements of the "Master Policy" including any amendments thereto.

The coverages described in the "Master Policy" and the limits of liability as shown in the attached schedule of insurance shall be payable subject to the limits of liability shown therein and subject to all the terms, coverage exclusions, policy provisions and conditions of the "Master Policy". The "Master Policy" constitutes the one and only agreement under which payments are made to any individual Risk Purchasing Group member.

This document is issued as a notice of insurance only and does not constitute a legal contract of insurance.

The following details are those shown in the "Master Policy" as they apply to your insurance. The original "Master Policy" may be inspected at the office of the Risk Purchasing Group located at the Campbell Group Inc., 5664 Prairie Creek Drive, Caledonia Michigan.

Various provisions in this policy restrict and limit coverage. **Read this policy in its entirety carefully to determine your rights and the Company's duties as well as what is covered and excluded in the insurance policy.**

The words "you", "your" and "insured" used throughout this policy refer to the Named Insured shown in the Certificate of Insurance. The words "we", "us" and "our" refer to Conifer Insurance Company providing this insurance.

Any other word or phrase that appears in quotation marks throughout this policy has special meaning and if not defined above are defined in the Definitions section of this policy.

This insurance covers loss only for the specifically named perils in the Coverage section of this policy. Any cause of loss that is not specifically named within the Coverage section of this policy, is excluded from coverage under this insurance regardless of whether or not such cause of loss is included in the Exclusions section of this policy or in the above-referenced policy.

SECTION I COVERAGES

COVERAGE – A LIABILITY

1. Liability Insuring Agreement

- a. Subject to the Limit of Liability, we will pay all "damages" and "claims expenses" the "insured" becomes legally obligated to pay as a result of a "claim" against the "insured" for a "wrongful act" that occurs during the policy period and in the "coverage territory".

- b. You have a duty to cooperate with us in requesting and securing the representation of your “employing law enforcement agency” in relation to any “claim” against you. We agree to assist you in your request to secure the representation of your “employing law enforcement agency”.
- c. We will have no duty however, to indemnify or defend you against any Suit seeking “damages” for “claims” to which this insurance does not apply. At our discretion, we may investigate any “claim” and resolve by way of settlement any “suit” or “claim” to which this insurance applies.
- d. When your “employing law enforcement agency” declines to defend you for any “claim” regarding a “wrongful act” covered under this policy, subject to the Limits of Liability, we shall have the right and duty to defend the “claim” regardless of whether the allegations related to the “claim” or “suit” are baseless, false, or fraudulent.
- e. When “employing law enforcement agency” assumes the defense of a “claim” against you, we reserve the right to retain counsel to oversee the defense “employing law enforcement agency” provides for you.
- f. If “employing law enforcement agency” declines to defend you, we shall retain counsel to defend you for “claims” covered by this policy and retain the right to resolve the “claim” at our discretion; however, the Limit of Liability provided by this Policy shall include and shall be reduced by both “damages” and “claims expenses” and we shall not be obligated to pay any “claim” nor defend or continue to defend any “claim” after the applicable Limit of Liability has been exhausted in the payment of “damages” and/or “claims expenses”.
- g. Except at your own cost and expense, you shall not make any payment, assume or admit any liability, assume any obligation or incur any expense in connection with a “claim”. Our duty to defend you is conditioned strictly on your prompt response to any and all of our inquiries necessary in order to confirm coverage of any “claim”.
- h. As a condition of coverage under this policy, you must cooperate with us in the defense of any “claim” to the full extent allowed by the United States Constitution, state and/or federal law. You agree to cooperate with us in the enforcement of our rights of indemnification and/or contribution against any third party. Our duty to defend you is conditioned strictly on your prompt response to any and all of our inquiries necessary in order to confirm coverage of any “claim”.

Coverage – B

2. Legal Defense Insuring Agreement

- a. Subject to the Limit of Liability, we shall assign counsel to defend you and pay “claims expenses” only where your “employing law enforcement agency” declines to defend you in a “civil proceeding” or “criminal proceeding” which arises out of a “wrongful act” that occurs during the policy period and in the “coverage territory”.
- b. You have a duty to cooperate with us in requesting and securing the representation of your “employing law enforcement agency” in relation to any “civil proceeding” or “criminal proceeding” against you. We agree to assist you in your request to secure the representation of your “employing law enforcement agency”.
- c. We will have no duty to defend you against any “civil proceeding”, and “criminal proceeding” to which this insurance does not apply. At our discretion, we may investigate

any "claim", "civil proceeding", and "criminal proceeding" and resolve by way of settlement any "suit" or "claim" to which this insurance applies.

- d. When your "employing law enforcement agency" declines to defend you for a "wrongful act" covered under this Policy; subject to the Limits of Liability, we shall have the right and duty to defend you in a "civil proceeding" or "criminal proceeding" regardless of whether the allegations related to "civil proceeding" or "criminal proceeding" are baseless, false, or fraudulent.
- e. When "employing law enforcement agency" assumes the defense of a "civil proceeding" or "criminal proceeding" against you, we reserve the right to retain counsel to oversee the defense "employing law enforcement agency" provides for you.
- f. The Limit of Liability provided by this Policy shall include and shall be reduced by both "damages" and "claims expenses" and we shall not be obligated to pay any "claim" nor defend or continue to defend any "suit", "civil proceeding", or "criminal proceeding" after the applicable Limit of Liability has been exhausted in the payment of "damages" and/or "claims expenses".
- g. Except at your own cost and expense, you shall not make any payment, assume and/or admit any liability, assume any obligation or incur any expense in connection with a "claim", "civil proceeding", or "criminal proceeding".
- h. As a condition of coverage under this policy, you must cooperate with us in the defense of any "claim", "civil proceeding" or "criminal proceeding" to the full extent allowed by the United States Constitution, state and/or federal law. You agree to cooperate with us in the enforcement of our rights of indemnification and/or contribution against any third party. Our duty to defend you is conditioned strictly on your prompt response to any and all of our inquiries necessary in order to confirm coverage of any "claim".

SECTION II – EXCLUSIONS

This policy of insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected, or intended from the standpoint of the insured or directed by the insured. This exclusion does not apply to "bodily injury" resulting arising out of your use of a "legally possessed firearm", while engaged in an "act of self-defense" to protect yourself or other persons.

b. Injury Caused By 3rd Persons

"Bodily injury" or "property damage" cause in any manner by any person, including residents and occupants of the insured's household, other than the insured.

c. Injury To Member of Insured's Household

Claims for "bodily injury" or "property damage" made against the "Individual Insured Member" by:

- (1) The insured's spouse.
- (2) Any member, resident or occupant of the insured's household.

- (3) Any member of the insured's family to the 5th degree of consanguinity.

d. Contractual Liability

"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.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

f. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

h. Liquor Liability – Mind Altering Substances

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;

- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.
- (4) "Bodily injury" or "property damage" caused by the insured while under the influence of alcohol, intoxicants, narcotics or any other mind-altering substance, as defined by applicable local, state or federal laws. This exclusion applies regardless of whether or not any mind altering substance is prescribed by a doctor.

i. Reloaded or Manufactured Ammunition

"Bodily injury" or "property damage" arising out of the direct or indirect explosion or rupture of ammunition cartridges or shotgun the insured manufactured, produced, assembled, loaded or reloaded.

j. Fraudulent And/or Intentional Acts

"Bodily injury" or "property damage" caused by the insured arising out of any actual or alleged intentional criminal activity. Gain, profit or advantage to which an Insured was not legally entitled; "Damages" and "Claims Expenses" arising out of any "Wrongful Acts" committed by or at the direction of the Insured which are dishonest, fraudulent, criminal, malicious or involve an intentional violation of the "Constitution" or any law, statute, ordinance, rule or regulation by an "Insured". However, this exclusion shall not apply to "Claim Expenses" or to the duty of the "Insurer" to defend such Claim until there is a judgment, binding arbitration, adverse admission by, finding of fact against the insured in a "Civil Proceeding", or a verdict against the insured of guilty or pleas of guilty or *nolo contendere* or no contest by or against the "Insured" in a "Criminal Proceeding", at which time the "Insured" shall reimburse the "Insurer" for any "Claims Expenses" paid by the "Insurer".

k. Lead

"Bodily injury" or "property damage" or any claim arising from the alleged or actual inhalation of, ingestion of, contact with, or exposure with lead or any product containing lead as well as any lead poisoning or any related disease, or lead contamination of land, water or air.

This exclusion is intended to exclude any demand, request or liability whatsoever for you to test for, remediate, remove, contain, treat, detoxify or neutralize lead or products containing lead, whether or not any of the foregoing are or should be performed by you or by others.

l. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

m. Pollution

"Bodily injury" or "property damage" or any claim arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" however caused regardless of where or when occurred.

This exclusion is intended to exclude from the coverage provided by this policy of insurance all liability and expense arising out of or related to any form of pollution, whether or not such pollution is intentionally caused and whether or not the resulting injury, damage, devaluation, cost or expense is expected or intended from the standpoint of the insured.

This exclusion is intended to exclude any demand, request or liability whatsoever for you to test for, remediate, remove, contain, treat, detoxify or neutralize any "pollutant(s)" or products containing any "pollutant(s)", whether or not any of the foregoing are or should be performed by you or by others.

n. Punitive or Exemplary Damages

The payment for any award for fines, penalties, sanctions, punitive and/or exemplary damages or multiples of compensatory damages.

o. War Or Terrorism

This insurance does not apply to, any claim arising out of, directly or indirectly resulting from, or based upon or in any way involving any actual or alleged:

- (1) War, whether declared or undeclared,
- (2) Or any act or condition incident to war;
- (3) Any action by a military force, including any action to prevent, prepare for, or defend against an actual or anticipated attack, by any government, sovereign or other authority using military personnel, civilian personnel, or other agents;
- (4) Civil war, insurrection, rebellion, revolution, usurped power, or action taken by governmental authority to prevent or defend against any threat of or actual occurrence of civil war, insurrection, rebellion, revolution, usurped power; or

p. Nuclear Energy

This insurance does not apply to:

- A. Under any Liability Coverage, to "bodily injury" or "property damage":
- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear 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 organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any medical payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product 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 a n y "nuclear facility" included under the first two paragraphs of the definition of "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 s u c h material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste"; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

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

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

q. Asbestos

This insurance does not apply to:

- A. Any liability for "bodily injury", "property damage", occupational disease, disability, shock, mental anguish or mental injury, at any time arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust; or
- B. Any obligation of the "insured" to indemnify any party because of damages arising out of "bodily injury", "property damage", occupational disease, disability, shock, mental anguish or mental

- injury, at any time as a result of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust; or
- C. Any obligation to defend any "suit" or claim against the "insured" alleging bodily injury", "property damage", occupational disease, disability, shock, mental anguish or mental injury, resulting from or contributed to, by the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.
 - D. This exclusion is intended to exclude any demand, request or liability whatsoever for you to test for, remediate, remove, contain, treat, detoxify or neutralize any asbestos, asbestos products, asbestos fibers or asbestos dust, whether or not any of the foregoing are or should be performed by you or by others.

r. Vicarious Liability

This insurance does not apply to any and all vicarious liability of the insured.

SECTION III – LIMITS OF INSURANCE LIABILITY

The limits of insurance liability for each coverage afforded under this policy shall be as stated in the schedule of this Policy or in the Limit of Liability for each Insured Certificate Holder attached to the Notice of Insurance issued to the insured subject to the terms, limitations, exclusions and conditions of this policy. The limits of insurance liability apply separately to each certificate holder and is subject to the availability of the aggregate liability limit stated on the Master Policy.

The limits of insurance liability stated in the in the schedule of this Policy or in the Limit of Liability shall be the limits of our liability to the insured for all "damages" as the result of any one "occurrence" and in all in the aggregate during any annual period of the insured's coverage, regardless of the number of claimants.

The limits of insurance liability afforded under this policy to the insured, is excess over and above any other valid and collectible insurance available the insured. We shall be liable only for the "damages" in excess of the amount payable under any other valid and collectible insurance. In the event that no other valid and collectible insurance exists for an "occurrence" covered under this policy, we shall be liable as if this policy is primary insurance, subject to all the terms, conditions, limitations and exclusions of this policy.

SECTION IV – DEFINITIONS

- A. "Adverse Action" shall mean any investigations or proceeding to determine whether to reprimand, demote, suspend or discharge an Insured.
- B. "Bodily Injury" shall mean bodily injury, sickness, or disease, or death arising out of, or related to, or caused by a "Wrongful Act".

- C. "Claim" shall mean, with respect to Coverage A, any written demand received by an "Insured" to hold the Insured personally liable for "Damages" or injunctive relief as a result of a "Wrongful Act" brought by any claimant other than the United States Federal Government or any state or local government of the United States. With regard to Coverage A only, the term Claim shall not include "Civil Proceedings" or "Criminal Proceedings".

With regard to Coverage B, the term "Claim" shall mean only "Civil Proceedings" or "Criminal Proceedings".

- D. "Claims Expenses" shall mean:
1. Reasonable and necessary fees charged by an attorney designated by the Insurer to defend a Claim; and
 2. All other reasonable and necessary fees, costs and charges resulting from the investigation, adjustment, defense, and appeal of a "Claim", if incurred by us, or by you with our written consent, provided that we shall not be obligated to apply for or furnish appeal bonds.

The "Insurer's" determination of what is considered reasonable and necessary "Claims Expenses" shall be conclusive. "Claims Expenses" do not include the "Insured's" salary, wages or other employment benefits.

- E. "Civil Proceeding" shall mean any proceeding brought by the United States Federal Government, or any state or local government of the United States, against any Insured before any entity, including investigations, "Adverse Actions" and judicial sanctions by an adjudicatory body in connection with charges of misconduct by the "Insured", regardless of whether such proceeding has been established by the provisions of the "Constitution", federal law or court rules.

An investigation of wrongful termination, discrimination, harassment or retaliation alleged by any individual under any Federal or state employment statute, regulation, or court rules, is a "Civil Proceeding" if the allegation has been accepted for investigation by any entity of the United States Government or any state or local government of the United States, and if the allegation accepted for investigation alleges that the Insured may have engaged or participated in a "Wrongful Act" against an individual, group, or entity. A "Congressional or State Investigation" including subpoenas requesting that an "Insured" produce documents and requests for the testimony of an "Insured" is a "Civil Proceeding".

"Civil Proceeding" does not include a "Claim" by a person or entity other than the federal Government of the United States or any state or local government of the United States, or a "Performance Proceeding", "Physical and Medical Qualification Determination", "Suitability Determination", investigations or proceedings in connection with "Criminal Proceedings" where a "Wrongful Act" of the "Insured" is not the subject of the investigation.

- F. "Congressional or State Investigation" shall mean an investigation conducted by a committee of either the United States House of Representatives or the Senate of the United States or any state legislature.
- G. "Constitution" shall mean the constitution of the federal government of the United States of America.

- H. "Course and Scope Law Enforcement Employment" shall mean an act of any kind or character that has to do with the originates in the work, services, trade or profession of an employee of the United States Federal Government or applicable state or local law enforcement agency and that is performed by the employee while engaged in and furthering the affairs or services of the United States Federal Government agency or the applicable state or local law enforcement agency.
- I. "Criminal Proceeding" shall mean any proceeding, including investigations or grand jury proceedings to review or prosecute charges of criminal misconduct by the "Insured" in the "Course and Scope Law Enforcement Employment", brought by the United States Federal Government or any state of the United States before any entity, regardless of whether the proceeding is established by the "Constitution" or other statutory law or court rules.

"Criminal Proceeding" does not include a "Claim" within the meaning of Coverage A of the Policy.

- J. "Damages shall" mean compensatory and punitive damages, where insurable under the law, provided, however, such "Damages" shall not include:
1. Fines, statutory or other penalties imposed pursuant to statute or regulation; or
 2. Judgments or awards for any "Damages" deemed uninsurable by law, or
 3. Loss of benefits or loss of wages as a result of any adverse decision in any "Civil Proceeding" or "Criminal Proceeding".
- K. "Effective Date" means 12:00 am Eastern Standard time on the first calendar date when the Policy becomes effective and in force.
- L. "Insured" shall mean each individual who has been issue a certificate of insurance under this Master Policy.
- M. "Insurer" shall mean the company listed on the Master Policy.
- N. "Master Policyholder" shall mean the entity named in the Declaration page of the Master Policy.
- O. "Performance Proceeding" shall mean an investigation, determination, appraisal, or process by which an Insured is evaluated, measured or rated, either individually or as part of a group, as part of the organizational effectiveness in the accomplishment of the United States Federal Government agency's or relevant state or local law enforcement agency's mission and goals, as specified under and provision of the "Constitution" or other federal or state law, rule or regulation.
- P. "Physical and Medical Qualification Determination" shall mean an investigation and/or determination based wholly or in part on the review of medical documentation and the results of medical examinations and evaluations conducted to determine physical or mental fitness for a federal position, as specified under any provision of the Constitution or other federal or state law, rule or regulation.
- Q. "Policy Period" shall mean the period stated in as the policy period in the Master Policy and or Declarations to the Master Policy.
- R. "Property Damage" means damage to or destruction of property including loss of use thereof sustained by any person, persons or entity resulting from a "Wrongful Act".

- S. "Suitability Determination Proceeding" shall mean an investigation, determination, appraisal or process involving a determination of suitability for employment, as specified under any provision of the "Constitution" or other federal or state law, rule or regulation.
- T. "Wrongful Act shall" mean any act, error or omission including common law, statutory or "Constitutional" torts in the United States or any state of the United States, and with regard to Coverage B, alleged violations of criminal statutes, and any subsequent acts, errors or omissions which directly relate to or arise out of the original violation by an "Insured" committed in the "Course and Scope Law Enforcement Employment". The term "Wrongful Act" shall also include "Related Wrongful Acts".
- U. "Related Wrongful Act" shall mean "Wrongful Acts" that are the same, related or continuous, or "Wrongful Acts" that arise from a common nucleus of facts. Claims can allege "Related Wrongful Acts" regardless of whether such Claims involve different claimants, "Insureds" or legal causes of action.
- V. "Waste" includes materials to be recycled, reconditioned or reclaimed including but not limited to "Pollutants". "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminants, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.

SECTION V - INSURED'S DUTIES IN THE EVENT OF A CLAIM

If there is a "Claim", or a circumstance or incident likely to result in a "Claim", the "Insured" must, as soon as practicable, but in no event later than 30 days after the expiration of the "Policy Period", notify the "Insurer" in writing. Notice can be sent via Regular mail to:

Conifer Insurance Company, Attn: Claims Department
550 W Merrill Street, Suite 200, Birmingham, MI 48012

Notice can be sent Via E-mail to:

claims@coniferinsurance.com

Fax to: (248) 559-0870

Written notice of a "Claim", or a circumstance or incident likely to result in a "Claim" must contain particulars sufficient to identify the "Insured" the "Claim" is asserted against, and the time, place and circumstances concerning the "Wrongful Act" giving rise to the "Claim".

VI CONDITIONS

A. TERRORITY

This policy applies to "Wrongful Acts" committed or alleged to have been committed anywhere in the world, provided that the "Claim" is made and reported within the Commonwealths, territories, possessions of the United States, including the District of Columbia.

B. INTERRELATED WRONGFUL ACTS

Two or more "Claims" based upon, arising out of or attributable to the same or "Related Wrongful Acts" shall be considered and treated as a single "Claim" under the Policy regardless of whether made against one or more than one "Insured".

C. ACTION AGAINST THE INSURER

No action shall extend against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of the policy, not until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after the actual trial or by written agreement of the Insured, the claimant and the Insurer. Nothing in this provision shall bar the Insured from seeking to enforce his rights under the policy in the absence of a judgment.

D. OTHER INSURANCE

The insurance under this Policy shall be excess over any other valid and collectible insurance or other legal rights of recovery available to the Insured under another policy or otherwise, including any indemnification provided by the Department of Justice or similar law enforcement agency of the United States or any state of the United States.

E. SUBROGATION

In the event of any payment under this policy, the "Insurer" shall be subrogated to all the Insured's rights of recovery thereof against any third party or organization and the "Insured" shall do whatever is necessary and allowed by law to secure such rights. In the event this Policy responds for "Defense Costs or Damages" on behalf of any "Insured" and thereafter, the "Insured" collects "Damages", costs and /or attorney's fees from any third party, the "Insurer" shall be entitled to all such "Damages", costs and/or attorney's fees so collected, up to the limit of its actual payment under this Policy.

F. CHANGES

Notices to any agent, or knowledge possessed by any agent or by any other person shall not effect a waiver, or change in part this Policy or stop the "Insurer" from asserting its right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy signed by a duly authorized agent of the "Insurer" and accepted by the "Master Policyholder".

G. CANCELLATION

Coverage may be cancelled by the "Insured" by surrender of this Policy to the "Insurer" or any of its authorized agents or by mailing to the "Insurer" written notice stating when the cancellation shall be effective. This coverage may be cancelled by the "Insurer" by mailing to the "Insured" at the address shown in the Declarations written notice stating when not less than sixty(60) days thereafter such cancellation may be issued upon ten (10) days written notice. Proof of the mailing of notice shall be sufficient proof of notice. The time of surrender or the effective date of

cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice, either by the "Insured" or "the Insurer" shall be equivalent to mailing. Any notice of Cancellation to the "Master Policyholder" under the Conditions section of the "Master Policyholder" shall be considered as notice to the "Insured's" of this policy.

Coverage may also be cancelled by the "Master Policyholder" by surrender of this policy to the "Insurer" or any of its authorized agents or by mailing to the "Insurer" written notice stating when thereafter the cancellation shall be effective. This coverage may be cancelled by the Insurer by mailing to the "Master Policyholder" at the address shown in the Declarations written notice stating when not less than ninety (90) days thereafter such cancellation shall take effect. For non-payment of premium, cancellation may be issued upon ten (10) days written notice. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the "Master Policyholder" or by the Insurer shall be equivalent to mailing. Any notice of Conditions section of the "Master Policy" shall be considered as notice to the "Insured's" of this Policy.

H. ASSIGNMENT AND CONFORMITY WITH STATUTE

The "Insured's" interest in this Policy shall not be assignable. To the extent that the terms of this Policy are in conflict with the "Constitution", laws or regulations of the United States and/or the laws and regulations of the state wherein this Policy is issued, the Policy is hereby amended to conform to such laws and regulations.

I. PREMIUM

All premiums shall be computed in accordance with the Program and shall be fully earned at policy inception.

J. DECLARATONS

By acceptance of this Policy, the "Insureds" agree that the statements in the application are their representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the "Insureds" and the "Insurer" or any of their agents relating to this insurance.