

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11

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SYNAGRO TECHNOLOGIES, INC., et al., : Case No. 13-11041 (BLS)

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Debtors.¹ : Jointly Administered

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NOTICE OF FILING OF INITIAL MONTHLY OPERATING REPORT

PLEASE TAKE NOTICE that the debtors and debtors in possession in the above-captioned jointly administered bankruptcy cases (collectively, the “Debtors”) filed today the Initial Monthly Operating Report, a copy of which is attached hereto as Exhibit A.

Dated: Wilmington, Delaware
May 9, 2013

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

/s/ Jason M. Liberi
Mark S. Chehi (I.D. No. 2855)
Jason M. Liberi (I.D. No. 4425)
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
Telephone: (302) 651-3000
Fax: (302) 651-3001

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Drilling Solutions, LLC (9935); Earthwise Organics, LLC (5458); Environmental Protection & Improvement Company, LLC (2397); NETCO - Waterbury, LP (5202); New Haven Residuals, LP (2758); New York Organic Fertilizer Company (8694); Providence Soils, LLC (9061); Soaring Vista Properties, LLC (4015); South Kern Industrial Center, LLC (2099); ST Interco, Inc. (4897); Synagro - Connecticut, LLC (5532); Synagro - WCWNJ, LLC (0817); Synagro - WWT, Inc. (0492); Synagro Central, LLC (2568); Synagro Composting Company of California, LLC (7671); Synagro Detroit, LLC (1107); Synagro Drilling Solutions, LLC (4598); Synagro-Hypex, LLC (2544); Synagro Management, LP (4546); Synagro Northeast, LLC (2564); Synagro of California, LLC (8598); Synagro of Minnesota - Rehbein, LLC (7969); Synagro of Texas - CDR, Inc. (8566); Synagro Product Distribution, LLC (4357); Synagro South, LLC (2567); Synagro Technologies, Inc. (9860); Synagro Texas, LLC (4372); Synagro West, LLC (2566); Synagro Woonsocket, LLC (1634); Synatech Holdings, Inc. (5544). The Debtors’ address is 1800 Bering Drive, Suite 1000, Houston, Texas 77057.



- and -

George N. Panagakis
Jessica S. Kumar
155 N. Wacker Dr.
Chicago, Illinois 60606
Telephone: (312) 407-0700
Fax: (312) 407-0411

Proposed Counsel for Debtors and Debtors in Possession

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
For the DISTRICT OF Delaware

In re Synagro Technologies, Inc. et al. Case No. 13-11041 (BLS)
Debtor

INITIAL MONTHLY OPERATING REPORT

File report and attachments with Court and submit copy to United States Trustee within 15 days after order for relief.

Certificates of insurance must name United States Trustee as a party to be notified in the event of policy cancellation. Bank accounts and checks must bear the name of the debtor, the case number, and the designation "Debtor in Possession." Examples of acceptable evidence of Debtor in Possession Bank accounts include voided checks, copy of bank deposit agreement/certificate of authority, signature card, and/or corporate checking resolution.

REQUIRED DOCUMENTS	Document Attached	Explanation Attached
12-Month Cash Flow Projection (Form IR-1)	Exhibit 1	DIP Budget
Certificates of Insurance:		
Workers Compensation	Exhibit 2	Insurance Binder
Property		
General Liability		
Vehicle		
Other:	Exhibit 2	Insurance Binder
Identify areas of self-insurance w/liability caps		
Evidence of Debtor in Possession Bank Accounts		
Tax Escrow Account		
General Operating Account	Exhibit 3	Cash Management Motion
Money Market Account pursuant to Local Rule 4001-3. Refer to http://www.deb.uscourts.gov/		
Other:		
Retainers Paid (Form IR-2)	Exhibit 4	

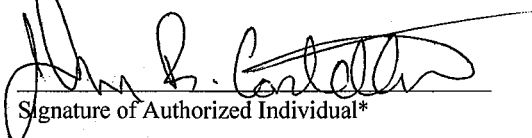
I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date


Signature of Authorized Individual*

09-May-13
Date

John R. Castellano
Printed Name of Authorized Individual

Chief Restructuring Officer
Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

Exhibit 1

DIP Budget

SYNAGRO TECHNOLOGIES
12 Mo. DIP Cash Flow Forecast
 (\$000's)

Month Ending:	Forecast Month 1 May-13	Forecast Month 2 Jun-13	Forecast Month 3 Jul-13	Forecast Month 4 Aug-13	Forecast Month 5 Sep-13	Forecast Month 6 Oct-13	Forecast Month 7 Nov-13	Forecast Month 8 Dec-13	Forecast Month 9 Jan-14	Forecast Month 10 Feb-14	Forecast Month 11 Mar-14	Forecast Month 12 Apr-14	Total May-13 Apr-14
Receipts													
Total receipts	\$ 29,734	\$ 34,035	\$ 30,213	\$ 30,281	\$ 26,634	\$ 24,100	\$ 31,611	\$ 25,581	\$ 27,209	\$ 31,216	\$ 27,730	\$ 20,896	\$ 339,239
Operating Disbursements													
Payroll & employee related	(9,530)	(6,623)	(5,700)	(8,161)	(6,196)	(5,749)	(8,207)	(5,250)	(6,320)	(8,210)	(7,365)	(5,479)	(82,790)
Subcontracted transp. & spreading	(8,591)	(5,055)	(4,979)	(5,552)	(4,831)	(5,168)	(5,543)	(4,443)	(4,487)	(4,434)	(4,217)	(4,933)	(62,233)
Equipment, facilities, utilities & fuel	(4,050)	(3,509)	(3,878)	(4,583)	(3,884)	(4,200)	(4,495)	(3,676)	(3,731)	(3,929)	(3,311)	(3,785)	(47,029)
SG&A and other	(4,939)	(5,849)	(6,407)	(6,712)	(5,678)	(6,268)	(6,989)	(5,604)	(7,299)	(7,276)	(7,608)	(8,744)	(79,375)
Capital expenditures	(3,585)	(5,202)	(3,329)	(2,232)	(1,756)	(1,396)	(993)	(812)	(1,002)	(2,109)	(1,841)	(1,852)	(26,108)
Total operating disbursements	(30,694)	(26,239)	(24,294)	(27,239)	(22,344)	(22,781)	(26,227)	(19,785)	(22,839)	(25,958)	(24,342)	(24,792)	(297,535)
Non-Operating Disbursements													
Professional fees (ordinary course)	-	-	-	-	-	-	-	-	-	-	-	-	-
One-time items	(6,342)	(400)	(191)	-	(4,326)	(2,000)	-	-	-	-	-	-	(13,259)
Commitment fees / New origination fees	(1,200)	-	-	-	-	-	-	-	-	-	-	-	(1,200)
Office consolidation adjustments	(962)	(863)	(325)	(1,364)	108	108	108	108	108	148	108	108	(2,613)
Customer programs & critical vendors	(750)	(500)	(250)	-	-	-	-	-	-	-	-	-	(1,500)
Total non-operating disbursements	(9,254)	(1,763)	(766)	(1,364)	(4,218)	(1,892)	108	108	108	148	108	108	(18,572)
Total of Specified Budget Lines	(39,948)	(28,002)	(25,060)	(28,603)	(26,563)	(24,673)	(26,119)	(19,678)	(22,731)	(25,810)	(24,234)	(24,685)	(316,107)
Professional fees (restr/special situations)	(449)	(1,325)	(1,180)	(2,360)	(1,610)	(860)	(2,935)	(1,430)	(780)	(2,380)	(1,125)	(600)	(17,034)
Net Cash Flow Before Debt Service	(10,663)	4,708	3,973	(682)	(1,539)	(1,433)	2,557	4,473	3,698	3,025	2,370	(4,388)	6,098
Principal and Interest Payments													
Principal payments	-	(652)	-	-	(652)	-	-	(652)	-	-	(652)	-	(2,609)
Interest payments / LC fees / Swaps	(35)	(2,009)	(92)	(35)	(2,118)	(136)	(35)	(1,869)	(270)	(35)	(1,895)	(183)	(8,712)
Non-recourse principal payments	-	-	-	-	-	-	-	(4,660)	(2,070)	-	-	-	(6,730)
Non-recourse interest payments	-	(753)	(2,067)	-	-	-	-	(753)	(2,067)	-	-	-	(5,641)
Total principal, interest and other	(35)	(3,414)	(2,160)	(35)	(2,771)	(136)	(35)	(7,934)	(4,407)	(35)	(2,547)	(183)	(23,692)
Net Cash Flow	\$ (10,698)	\$ 1,294	\$ 1,813	\$ (717)	\$ (4,309)	\$ (1,569)	\$ 2,522	\$ (3,461)	\$ (709)	\$ 2,990	\$ (177)	\$ (4,572)	\$ (17,594)
Beginning Cash (UNRESTRICTED)	\$ 10,366	\$ 7,749	\$ 7,545	\$ 7,682	\$ 7,553	\$ 7,925	\$ 7,972	\$ 7,071	\$ 7,699	\$ 7,791	\$ 7,586	\$ 7,980	\$ 10,366
Net Cash Flow	(10,698)	1,294	1,813	(717)	(4,309)	(1,569)	2,522	(3,461)	(709)	2,990	(177)	(4,572)	(17,594)
Additions (Reductions) to unrestricted cash	1,081	(1,498)	1,323	(412)	(2,318)	(384)	(422)	3,089	3,802	(195)	(1,429)	(637)	2,000
Revolver draw (paydown)	7,000	-	(3,000)	1,000	7,000	2,000	(3,000)	1,000	(3,000)	(3,000)	2,000	5,000	13,000
Estimated Ending UNRESTRICTED Cash (Book)	7,749	7,545	7,682	7,553	7,925	7,972	7,071	7,699	7,791	7,586	7,980	7,772	7,772
ENDING REVOLVER AVAILABILITY	23,000	23,000	26,000	25,000	18,000	16,000	19,000	18,000	21,000	24,000	22,000	17,000	17,000
ENDING TOTAL LIQUIDITY	\$ 30,749	\$ 30,545	\$ 33,682	\$ 32,553	\$ 25,925	\$ 23,972	\$ 26,071	\$ 25,699	\$ 28,791	\$ 31,586	\$ 29,980	\$ 24,772	\$ 24,772

Exhibit 2

Insurance Binder

Synagro Technologies

Insurance Policy Schedule

COVERAGE	NAMED INSURED	CARRIER	POLICY NUMBER
Umbrella - Primary Layer	Synatech Holdings, Inc.	Ironshore Specialty Insurance Company	1659400
Excess Flood (NY & PA)	Synagro Holdings, Inc.	Arch Specialty Insurance Company	ESP0054711-00
Excess Flood	Synagro Holdings, Inc.	Aspen Specialty Insurance Company	PXA980H13
Excess Flood	Synagro Holdings, Inc.	Endurance American Specialty Insurance Company	CPN10003950600
Excess Flood	Synagro Holdings, Inc.	Landmark American Insurance Company	LHD381765
Excess Flood (NY & PA)	Synagro Holdings, Inc.	Lloyds Syndicates	GEP9712
Excess Earthquake	Synagro Holdings, Inc.	Endurance American Specialty Insurance Company	CPN10003950700
Owners & Contractors Protective Liability	Synagro Central, LLC	Commerce and Industry Insurance Company	GL3414172
Flood Policy (Baltimore, MD)	Synagro Technologies, Inc.	American Bankers Insurance Company of Florida	2045659800
Workers' Compensation		North Dakota State Fund	1296411
Flood Policy (New Haven, CT)	Synagro Technologies, Inc.	American Bankers Insurance Company of Florida	2045660000
General & Pollution Liability	Synatech Holdings, Inc.	Ironshore Specialty Insurance Company	1659300
Contractors Ops Professional Services Includes Drilling Solutions			
Owners & Contractors Protective Liability	Synagro Central, LLC	Commerce and Industry Insurance Company	GL3414129
Owners & Contractors Protective Liability	Synagro Central, LLC	Commerce and Industry Insurance Company	GL3414191
Workers' Compensation		Ohio State Fund	715965
Property	Synatech Holdings, Inc.	Affiliated FM Insurance Company	KK277
Railroad Protective Liability	Synatech Holdings, Inc.	Lexington Insurance Company	38421996
Workers Compensation (AOS)	Synatech Holdings, Inc.	Zurich American Insurance Company	WC9243961-01
Workers Compensation (WI)	Synatech Holdings, Inc.	Zurich American Insurance Company	WC9243962-01
Automobile Liability	Synatech Holdings, Inc.	Zurich American Insurance Company	BAP9243960-01



Ironshore Insurance Services LLC.
A subsidiary of Ironshore Holdings (U.S.) Inc.
IronEnviroSM
Kevin J Fee
50 S. 16th Street, Suite 3410
Philadelphia, PA 19102
Phone: 267-443-2875
Kevin.fee@ironshore.com

DATE: 5/2/2013

ATTN: John Heft
 New Day Underwriting Managers
 33 Third Street
 Bordentown, NJ 08505

PHONE: 609-298-3516

Email: JohnH@newdayunderwriting.com

Ironshore Environmental (IronEnviroSM) Insurance Binder for:

First Named Insured: Synatech Holdings, Inc.
Mailing Address: 1800 Bering Drive, Suite 1000
 Houston, TX 77057

Policy Form: **Environmental Excess Liability (EEL)**

Policy Period: From: 5/1/2013 to: 5/1/2014

Issuing Company: Ironshore Specialty Insurance Company

Policy Number: 001659400

Dear John,

We are pleased to provide the following binder confirmation for the above captioned insured. Below is a summary of premiums, commission, terms and conditions of the proposal. Thank you for the order!

OPTION 1:	
LIMITS OF INSURANCE	
a. Each Event Limit	\$ 25,000,000
b. Aggregate Limit	\$ 25,000,000
LIMITS OF UNDERLYING INSURANCE	
a. Each Event Limit	See Underlying Schedule
b. Aggregate Limit	See Underlying Schedule
POLICY PREMIUM (Excluding TRIA)	\$ 1,205,231
Minimum Premium	\$ 301,308 (25%)
Commission	5%

CONTROLLING UNDERLYING INSURANCE:

Coverage See Schedule of Underlying
 Policy Number See Schedule of Underlying
 Insurer See Schedule of Underlying
 Policy Period See Schedule of Underlying
 Limit of Insurance See Schedule of Underlying

**UNDERLYING EXPOSURE BASIS:**

Coverage:	Exposure:	Exposure Amount
General Liability	Total Annual Revenue:	\$ 322,832,000
Site Pollution Liability	Total Number of Sites:	104
Auto Liability	Total Power Units:	503

COVERAGE FORMS AND ENDORSEMENT SCHEDULE:

Name	Number	Fill-In Information
Environmental Excess Liability Coverage Form	IE.COV.EEL.001 (04/09)	NONE
Environmental Excess Liability Declarations	IE.DEC.EEL.001 (04/09)	See Above
Schedule Of Underlying Insurance	IE.PN.EEL.001	TBD
Claims Notice	IE.PN.ALL.002 (10/10)	NONE
Terrorism Exclusion	TBD	NONE
Odor Event Sublimit	Manuscript	See attached

CONDITIONS OF THE PROPOSAL:

This proposal is subject to receipt, review and acceptance of the following by the indicated date:

1. Written request to bind terrorism or receipt of the Terrorism Rejection notice **within 3 days of effective date**
2. Producer Surplus Lines sheet **within 3 days of effective date**

This Excess Policy Does NOT provide the following Coverage:

- 1) Per location or Per Project Aggregate

The Premium amount(s) stated in this proposal does not include any applicable surplus lines tax and fees. Surplus lines taxes, fees and filings are the sole responsibility of the broker. We will require your surplus lines license number upon binding.

The Premium amount(s) stated in this proposal does not include the premium for Terrorism Risk Insurance Act Coverage. Please see the attached Disclosure Statement regarding Terrorism Risk Insurance Act and the premium for such coverage. In the event that you chose to purchase Terrorism Risk Insurance Act Coverage along with the option above, the total premium shall be the premium shown above plus the Terrorism Risk Insurance Act Coverage premium.

This proposal is an overview of coverages, terms and conditions offered. All coverages are subject to the terms and conditions as defined in the policy form. It is your responsibility to review them carefully. This proposal and the terms and conditions of the policy may differ from the specifications requested in the submission.

Thank you for binding coverage with Ironshore Environmental. If you have any questions or concerns, please feel free to contact me.

Sincerely,

Kevin J Fee
Vice President



ENVIRONMENTAL EXCESS LIABILITY SCHEDULE OF UNDERLYING INSURANCE

CONTROLLING UNDERLYING INSURANCE

Coverage: GENERAL LIABILITY AND POLLUTION LIABILITY; ENVIRONMENTAL PROTECTION INSURANCE
COVERGE PACKAGE (EPIC Pac)

Policy Number: 001659300

Insurer: Ironshore Specialty Insurance Company

Policy Period: 5/1/2013 to: 5/01/2014

Limits of Insurance:

\$1,000,000 Each Occurrence Limit-COVERAGE PART I: Coverage A,B,C
\$1,000,000 Each Occurrence Limit-COVERAGE PART II: Coverage D,E,F
\$1,000,000 Contractors Pollution Liability Each Occurrence Limit
\$1,000,000 Personal and Advertising Injury Limit: Any one Person or Organization
\$1,000,000 Employee Benefits Administration Liability Limit: Each Employee
\$1,000,000 Site Pollution Liability Limit
\$2,000,000 Products Completed Operations Aggregate
\$2,000,000 General Aggregate

Coverage: AUTOMOBILE LIABILITY

Policy Number: BAP9243960-01

Insurer: Zurich American Insurance Company

Policy Period: 5/1/13 to: 5/1/14

Limit of Insurance:

\$2,000,000 Combined Single Limit

Coverage: EMPLOYERS LIABILITY - Wisconsin

Policy Number: WC9243962-01

Insurer: Zurich American Insurance Company

Policy Period: 5/1/13 to: 5/1/14

Limit of Insurance:

\$1,000,000 Bodily Injury by Accident: Each Accident
\$1,000,000 Bodily Injury by Disease: Policy Limit
\$1,000,000 Bodily Injury by Disease: Each Employee

Coverage: EMPLOYERS LIABILITY – All Other States

Policy Number: WC9243961-01

Insurer: Zurich American Insurance Company

Policy Period: 5/1/13 to: 5/1/14

Limit of Insurance:

\$1,000,000 Bodily Injury by Accident: Each Accident
\$1,000,000 Bodily Injury by Disease: Policy Limit
\$1,000,000 Bodily Injury by Disease: Each Employee



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)
CONTRACTORS ENVIRONMENTAL LEGAL LIABILITY (CELL)
ENVIRONMENTAL PROTECTIVE INSURANCE COVERAGE PACKAGE (EPIC PAC)
ENVIRONMENTAL EXCESS LIABILITY

It is hereby agreed that the policy is amended as follows

1. The following Exclusion is added:

This insurance does not apply to:

TERRORISM

Any injury or damage arising, directly or indirectly, out of **terrorism**

2. For the purposes of this endorsement, the following definitions are added:

Any injury or damage means any injury or damage covered under the policy and includes but is not limited to **bodily injury, property damage, environmental damage, remediation expense, emergency response expense, personal and advertising injury**, negligent acts, errors or omissions or **professional incident** as may be defined in the policy.

Terrorism means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion. Terrorism includes an act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act.

ALL OTHER TERMS, CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ODOR EVENT SUBLIMIT

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL EXCESS LIABILITY (EEL) COVERAGE FORM

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

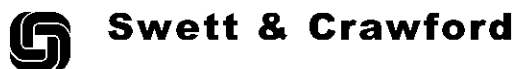
SECTION II. LIMITS OF LIABILITY is amended to include the following:

Subject to the Each Event Limit of insurance stated in the Declarations of this policy, the most we will pay as respects damages arising out of an **event** involving odor is \$10,000,000.

ALL OTHER TERMS, CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

May 2, 2013
Date



3350 Riverwood Parkway SE
Suite 1100
Atlanta, GA 30339
Phone: 404-240-5200
Fax: 404-240-5393

COC April 30, 2013

CONFIRMATION OF COVERAGE BOUND

The coverage outlined below may not conform to the terms and conditions you requested. Please check carefully. Swett & Crawford and its affiliated companies disclaim any responsibility for your failure to reconcile the original submission with coverages bound herein. This document is intended for use as evidence that the insurance, as described herein, has been effected and shall be subject to all terms and conditions of policy(ies) which will be issued and that, in the event of any inconsistency herewith, the terms and provisions of such policy(ies) shall prevail.

You acknowledge that Swett & Crawford or one of its affiliates is acting as a wholesale insurance broker in connection with this placement. Specifically, it (1) is acting on your behalf (and you are transacting on behalf of the consumer), (2) is working as a wholesale broker to obtain appropriate quotes and/or placements on your behalf, (3) may be charging a broker fee for its services as set forth in the indication, quote and/or binder and (4) may be entitled to receive compensation from the insurer for the purchase of insurance. As the retail broker, if you choose to deliver documents electronically to the insured, you acknowledge that you have obtained the consent of the insured in accordance with applicable law.

EXCESS

Broker:	The Addis Group, LLC 2500 Renaissance Boulevard, Suite 100 King of Prussia, PA 19406	
INSURED:	Synatech Holdings, Inc.	
Mailing Address:	425 Williams Court, Suite 100 Baltimore, MD 21220	
Company:	Arch Specialty Insurance Company	Policy No.: ESP0054711-00
Effective Date:	05/01/2013	Expiration Date: 05/01/2014
Perils Insured:	Flood ONLY for Flood Zones "A" and "V" for locations noted below	
Property Covered:	All Real and Personal Property of the insureds including Electronic Data Processing, Machinery and Equipment, Business Income including Extra Expense, 90 Days Ordinary Payroll and other coverage all as more clearly defined in policy form	
Locations:	1. NYOFCO Pelletizer 1108 Oak Point Avenue Bronx, New York 10474	2. Philadelphia -Dewatering Building 7800 Penrose Ferry Road Philadelphia, Pennsylvania 19153
Limits of Liability:	As per Schedule, not to exceed	
	\$ 5,000,000	Per Occurrence, not to exceed
	\$ 5,000,000	in any one policy year as respects Flood
		Part of:
	\$ 10,000,000	Per Occurrence, not to exceed
	\$ 10,000,000	in any one policy year as respects Flood
		Excess of:
	\$ 20,000,000	Per Occurrence, which in turn, excess of Underlying Deductibles
	\$ 20,000,000	in any one policy year as respects Flood, which in turn, excess of Underlying Deductibles
Sublimits:	Per Primary	

Synatech Holdings, Inc.

Policy No.: ESP0054711-00

TIV: \$ 64,255,693

Primary Deductibles: Zone "A" and "V"
 \$500,000 Real Property
 \$500,000 Business Personal Property
 \$100,000 Time Element

Valuation: Replacement Cost - Physical Damage
 Actual Loss Sustained -Time Element

Coinsurance: Nil

Conditions:

Arch Excess Physical Damage Form, 02 EXP0007 00 08 02 to include but not limited to:
 Commercial Property Declarations (ASIC) 06 EXP0001 00 02 07
 Signature Page 06 ML0002 00 12 06
 Minimum Earned Premium Clause - Percentage 02 EXP0009 00 08 02
 Minimum Earned Premium Clause – Dollar 02 EXP0075 00 09 02
 Common Policy Conditions 00 EXP0091 00 11 03
 Service of Suit 00 ML0003 00 08 07
 Claims Handling Procedures 06 CP0002 00 03 08
 Total Terrorism Exclusion 00 EXP0125 00 06 06
 Exclusion of Terrorism Involving Nuclear, Biological, or Chemical Terrorism 00 EXP0127 00 06 06
 Terrorism Coverage Disclosure Notice 00 MLT0031 00 01 08
 U.S. Treasury Departments - Office of Foreign Assets Control 00 ML0065 00 06 07
 Occurrence Limit of Liability Endorsement with 10% Margin Clause 00 EXP 0002 00 02 07 (2B deleted)
 Occurrence Definition Endorsement 00 EXP0123 00 05 06
 Exclusion and Limited Additional Coverage For Fungus 02 EXP0006 00 08 02
 Exclusion and Limited Additional Coverage For Fungus 02 EXP0003 00 08 02
 Electronic Property & Virus -Exclusion 02 EXP0004 00 08 02
 Seepage/Pollution/Contamination Exclusion 02 EXP0071 00 09 02
 Commercial Property Coverage Part Declarations 02 EXPD 00 09 02
 Commercial Property Conditions 00 EXP0101 00 11 03
 Commercial Inland Marine Coverage Part Declarations 02 CIMD001 00 09 02
 Commercial Marine Conditions 00 EXP0118 00 10 12
 Excess Physical Damage Schedule 02 EXP0001 00 08 02
 Drop Down Endorsement 02 EXP008 00 11 02

*the Occurrence Limit of Liability Endorsement restricts the amount of recovery to the amount declared in the statement of values that was provided to Swett & Crawford Group and we sent to the underwriters. In the event the replacement cost of the property damaged or the resulting Time Element at the time of loss is greater than the amount declared in the statement of values, the insured will be penalized and recovery will be restricted to not exceed the amount declared in the statement of values. In no event will the recovery exceed the lesser of:

- Replacement Cost / Actual Loss Sustained at the time of loss
- The amount declared in the schedule of values.

If the schedule of values provides a breakdown of values between Real and Personal Property, Equipment, Business Interruption, Extra Expense, etc. the most the company will pay for any section; i.e., Real Property will be the lesser of the Replacement Cost / Actual Loss Sustained at the time of loss or the Amount declared in the schedule of values for that specific section of the statement of values.

Synatech Holdings, Inc.

Policy No.: ESP0054711-00

Premium/Taxes/Fees: \$ 20,000.00 Premium
 \$ 25.00 PSLA Fee - PA
 \$ 600.00 Surplus Lines Tax - PA

Taxable Premium/Fees PA - \$12,937.00 Home State
 By State: NY - \$7,063.00

Minimum Earned Premium: 35% Minimum Earned Premium

Company is: Non-Admitted Carrier

Cancellation: Per Company Form

Subject To: Review of Primary Policy
 No Other Arch Group Participation

Claims Notification: Arch Specialty Insurance Company
 E&S Property Claims
 10909 Mill Valley Road, Suite 210
 P. O. Box 542033
 Omaha, NE 68154
 Tel: 877-688-2724
 Fax: 866-266-3630
 Email: Claims@ArchInsurance.com

Swett & Crawford

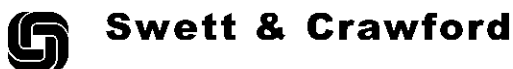
By:

Matthew S. Brott

(Authorized Representative)

For Non-Admitted Policies Only:

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3350 Riverwood Parkway SE
Suite 1100
Atlanta, GA 30339
Phone: 404-240-5200
Fax: 404-240-5393

COC April 30, 2013

CONFIRMATION OF COVERAGE BOUND

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EXCESS

Broker:	The Addis Group, LLC 2500 Renaissance Boulevard, Suite 100 King of Prussia, PA 19406	
INSURED:	Synatech Holdings, Inc.	
Mailing Address:	425 Williams Court, Suite 100 Baltimore, MD 21220	
Company:	Aspen Specialty Insurance Company	Policy No.: PXA980H13
Effective Date:	05/01/2013	Expiration Date: 05/01/2014
Perils Insured:	Excess Flood Only as respects Flood Zones A, V, B, Shaded X	
Property Covered:	All Real and Personal Property of the Insured including Electronic Data Processing Hardware, Machinery & Equipment, Time Element, 90 Days Ordinary Payroll as more fully defined in submission and coverage form	
Locations:	As per the schedule on file with the company	

Synatech Holdings, Inc.

Policy No.: PXA980H13

Limits of Liability for Flood Zones "A" and "V": \$ 2,500,000 per occurrence and annual aggregate as respects Flood Zones "A" and "V"

Part of:
\$ 5,000,000 per occurrence and annual aggregate as respects Flood Zones "A" and "V"

Excess of:
\$ 5,000,000 per occurrence and annual aggregate as respects Flood Zones "A" and "V", which in turn, excess of Underlying Deductibles

Limits of Liability for Flood Zones "B" and "Shaded X": \$ 2,500,000 per occurrence and annual aggregate as respects Flood Zones "B" and "Shaded X"

Part of:
\$ 5,000,000 per occurrence and annual aggregate as respects Flood Zones "B" and "Shaded X"

Excess of
\$ 10,000,000 per occurrence and annual aggregate as respects Flood Zones "B" and "Shaded X", which in turn, excess of Underlying Deductibles

Sublimits: Per Primary

TIV: \$ 255,622,570

Primary Deductibles: Zone "A" and "V" \$500,000 Real Property
\$500,000 Business Personal Property
\$100,000 Time Element

Zone "B" and Shaded "X" - \$250,000 Real Property, Business Personal Property, Time Element Combined

Valuation: Replacement Cost - Physical Damage
Actual Loss Sustained - Time Element

Coinsurance: Nil

Conditions:

Summary of Insurance/Special Provisions/Excess Physical Damage Schedule -ASPPR074 1010
Property - Excess Liability Coverage Form - ASPPR055 0806

Mandatory Endorsements:

Texas Notice - SN-TX 05 11

General Service of Suit Endorsement - ASPCO002 0213

Exclusion of Terrorism and Exclusion of War and Military Action - ASPPR003 0410

Earned Premium Endorsement ASPPR005 0404

Named Insured Endorsement ASPPR017 0904

Occurrence Limit of Liability Endorsement - ASPPR068 0610

Minimum Earned Premium Clause - Percentage - ASPPR072 0807

Cancellation Clause -ASPPR079 0807

Seepage / Pollution / Contamination Exclusion - ASPPR081 0907

Loss Adjustment Endorsement ASPPR086 0312

Fungus Exclusion and Limited Additional Coverage , ASPPR089 0907

Drop Down Endorsement - Earthquake and/or Flood Only - ASPPR093 0907

Synatech Holdings, Inc.

Policy No.: PXA980H13

Conditions:

Commercial Property Conditions CP 00 90 07 88
 Common Policy Conditions - IL 00 17 11 98
 Exclusion of Certain Computer-Related Losses - IL 09 35 0702
 Electronic Data Endorsement - NMA2915 0101
 Nuclear, Biological, Chemical or Radiological Terrorism Exclusion ASPCO023 1012
 Policy Holders Guide to Reporting a Property Claim - Form #ASPPR100 1012

Any Mandatory State forms will apply

Designated Adjuster - The company reserves the right to substitute and or engage its own adjusters, investigators and experts as its sole discretion and expense ASPPR100 1012

10% Margin Clause will apply

The Occurrence Limit of Liability Endorsement restricts the amount of recovery to the amount declared in the statement of values that was provided to Swett & Crawford Group and we sent to the underwriters. In the event the replacement cost of the property damaged or the resulting Time Element at the time of loss is greater than the amount declared in the statement of values, the insured will be penalized and recovery will be restricted to not exceed the amount declared in the statement of values. In no event will the recovery exceed the lesser of:

- Replacement Cost / Actual Loss Sustained at the time of loss
- The amount declared in the schedule of values.

If the schedule of values provides a breakdown of values between Real and Personal Property, Equipment, Business Interruption, Extra Expense, etc. the most the company will pay for any section; i.e., Real Property will be the lesser of the Replacement Cost / Actual Loss Sustained at the time of loss or the Amount declared in the schedule of values for that specific section of the statement of values.

Premium/Taxes/Fees: \$ 49,021.00 Premium
 \$ 1,470.63 Surplus Lines Tax - MD

Taxable Premium By State: CA - \$12,580.00
 PA - \$22,507.00
 FL - \$4,680.00
 MD - \$194.00 Home State
 NJ - \$4,443.00
 NY - \$4,351.00
 OH - \$254.00
 TN - \$12.00

Minimum Earned Premium: Minimum earned premium of 50% will apply, EXCEPT FULLY EARNED IN Florida and/or all Tier I Counties and Harris County, TX, for those locations insured within the period of June 1st through October 31st.

Company is: Non-Admitted Carrier

Cancellation: 90 days notice of cancellation except 10 days for non payment of premium

Synatech Holdings, Inc.

Policy No.: PXA980H13

Claims Notification:

Aspen Specialty Insurance Company

c/o Aspen Specialty Insurance Management, Inc.

Claims Department

125 Summer Street, Suite 300

Boston, MA 02110

Tel: 617-532-7300

Fax: 617-532-7342

Email: property.claims@aspenspecialty.com

Toll free number for policy holders in the event of disaster: 855-397-3295

Swett & Crawford

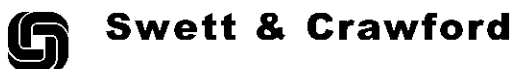
By:

Matthew S. Brott

(Authorized Representative)

For Non-Admitted Policies Only:

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April 30, 2013

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EXCESS

Broker:	The Addis Group, LLC 2500 Renaissance Boulevard, Suite 100 King of Prussia, PA 19406	
INSURED:	Synatech Holdings, Inc.	
Mailing Address:	425 Williams Court, Suite 100 Baltimore, MD 21220	
Company:	Endurance American Specialty Insurance Company	Policy No.: CPN10003950600
Effective Date:	05/01/2013	Expiration Date: 05/01/2014
Perils Insured:	Specified Peril Flood	
Property Covered:	Building, Personal Property of the Insured including Electronic Data Processing and Media, Machinery and Equipment, Business Income and Extra Expense, including 90 Days of Ordinary Payroll	
Locations:	California, Maryland, New Jersey, New York, Pennsylvania, Ohio, Tennessee and Florida	

Synatech Holdings, Inc.

Policy No.: CPN10003950600

	As per Schedule, not to exceed	
Limits of Liability for Flood Zones "A" and "V":	\$ 5,000,000	Per Occurrence and annual aggregate as respects Flood Zones "A" and "V"
		Part of:
	\$ 10,000,000	Per Occurrence and annual aggregate as respects Flood Zones "A" and "V"
		Excess of:
	\$ 10,000,000	Per Occurrence and annual aggregate as respects Flood Zones "A" and "B", which in turn, excess of underlying deductibles
Limits of Liability for Flood Zones "B" and Shaded "X":	\$ 5,000,000	Per Occurrence and Annual Aggregate as respects Flood Zones "B" and "Shaded X"
		Excess of:
	\$ 10,000,000	Per Occurrence and Annual Aggregate as respects Flood Zones "B" and "Shaded X"
		Excess of:
	\$ 15,000,000	Per Occurrence and annual aggregate as respects Flood Zones "B" and "Shaded X", which in turn, excess of underlying deductibles
Sublimits:	Per Primary	
TIV:	\$ 255,622,570	
Primary Deductibles:	Zones A and V: \$500,000 per occurrence for Real Property \$500,000 per occurrence for Business Personal Property \$100,000 per occurrence for Time Element	
	Zones B and X Shaded: \$250,000 per occurrence	
Valuation:	Replacement Cost - Real and Personal Property Actual Loss Sustained - Time Element Including 90 Days of Ordinary Payroll	
Coinsurance:	Nil	
Conditions:	Follow Form subject to review and acceptance of primary policy with 75 days, otherwise; Endurance American Specialty Insurance Company Excess Following Form Service of Suit Endorsement ECP 1307 0512 Absolute Mold Exclusion (Per Form) Absolute Pollution Exclusion (Per Form) Asbestos Exclusion (Per Form) Minimum Earned Premium Clause (Per Form) Notice of Loss (Per Form) Exclusion for Certain Computer Related Losses ECP 0509 0409 Loss Adjustment Endorsement ECP 1301 0508 Statement of Values Margin Clause Endorsement (10% Margin) ECP 1304 0109 War and Terrorism Exclusion (Per Form)	

Synatech Holdings, Inc.

Policy No.: CPN10003950600

Conditions:

Schedule of primary policy(ies)
 Nuclear Exclusion Endorsement (Per Form)
 Following Form Excess Policy ECP 0223 0310
 Territory Coverage Limitation ECP 1305 0606

*the Occurrence Limit of Liability Endorsement restricts the amount of recovery to the amount declared in the statement of values that was provided to Swett & Crawford Group and we sent to the underwriters. In the event the replacement cost of the property damaged or the resulting Time Element at the time of loss is greater than the amount declared in the statement of values, the insured will be penalized and recovery will be restricted to not exceed the amount declared in the statement of values. In no event will the recovery exceed the lesser of:

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Premium/Taxes/Fees: \$ 50,000.00 Premium
 \$ 150.00 Modeling Fee
 \$ 1,500.00 Surplus Lines Tax - MD

Taxable Premium By State: CA - \$12,831.00
 PA - \$22,957.00
 FL - \$4,773.00
 MD - \$199.00 Home State
 NJ - \$4,531.00
 NY - \$4,438.00
 OH - \$259.00
 TN - \$12.00

Minimum Earned Premium: 25% Minimum Earned and Retained
 100% Minimum Earned on Fees

Company is: Non-Admitted Carrier

Cancellation: 90 Days Notice of Cancellation except 10 days for non payment of premium

Subject To: Signed Terrorism Disclosure Form signed by the Insured
 Receipt of a Complete Lead or Followed policy and corresponding coverage parts
 Must receive a copy of the followed form within 75 days of Effective Date or Endurance will issue their own policy using their policy forms

Claims Notification: Endurance U.S. Insurance Operations
 10 South Wacker, Suite 2970
 Chicago, IL 60606
 Phone No: 312-706-1745
 Fax No: 312-706-1801

Swett & Crawford

By:

Matthew S. Brott

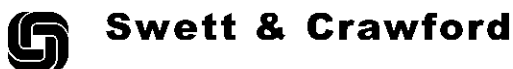
(Authorized Representative)

Synatech Holdings, Inc.

Policy No.: CPN10003950600

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April 30, 2013

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EXCESS

Broker:	The Addis Group, LLC 2500 Renaissance Boulevard, Suite 100 King of Prussia, PA 19406	
INSURED:	Synatech Holdings, Inc.	
Mailing Address:	425 Williams Court, Suite 100 Baltimore, MD 21220	
Company:	Landmark American Insurance Company	Policy No.: LHD381765
Effective Date:	05/01/2013	Expiration Date: 05/01/2014
Perils Insured:	Excess Flood Only as respects Zones A, V, B, and Shaded X	
Property Covered:	All Real and Personal Property of the Insured including Electronic Data Processing, Machinery & Equipment, Time Element, and 90 Days Ordinary Payroll as more fully defined in submission and coverage form	
Locations:	As per the schedule on file with the company	

Synatech Holdings, Inc.

Policy No.: LHD381765

Limits of Liability for Flood Zones "A" and "V": \$ 2,500,000 per occurrence and annual aggregate as respects Flood Zones "A" and "V"

Part of:
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Excess of:
\$ 5,000,000 per occurrence and annual aggregate as respects Flood Zones "A" and "V", which in turn, excess of Underlying Deductibles

Limits of Liability for Flood Zones "B" and "Shaded X": \$ 2,500,000 per occurrence and annual aggregate as respects Flood Zones "B" and "Shaded X"

Part of:
\$ 5,000,000 per occurrence and annual aggregate as respects Flood Zones "B" and "Shaded X"

Excess of
\$ 10,000,000 per occurrence and term aggregate as respects Flood Zones "B" and "Shaded X", which in turn, excess of Underlying Deductibles

Sublimits: Per Primary

TIV: \$ 255,622,570

Primary Deductibles: Zone "A" and "V" \$500,000 Real Property
\$500,000 Business Personal Property
\$100,000 Time Element

Zone "B" and "Shaded X" - \$250,000 Real Property, Business Personal Property, Time Element Combined

Valuation: Replacement Cost - Physical Damage
Actual Loss Sustained - Time Element

Coinsurance: Nil

Conditions:

RSUI Excess Physical Damage Form - 2008 Edition to include but not limited to:
Exclusion and Limited Additional Coverage - Electronic Data RSG 94030 1003
Exclusion and Limited Additional Coverage for Fungus RSG 96004 0210
Exclusion of Pathogenic or Poisonous Biological or Chemical Material RSG 96014 0504
Exclusion of Terrorism RSG 96005 0108

Premium/Taxes/Fees: \$ 58,278.00 Premium
\$ 1,748.34 Surplus Lines Tax - MD

Taxable Premium By State: CA - \$14,955.00
PA - \$26,758.00
FL - \$5,563.00
MD - \$231.00 Home State
NJ - \$5,282.00
NY - \$5,173.00
OH - \$302.00
TN - \$14.00

Synatech Holdings, Inc.

Policy No.: LHD381765

Minimum Earned Premium: 50% Minimum Earned Premium

Company is: Non-Admitted Carrier

Cancellation: 90 days notice of cancellation except 10 days notice for non-payment of premium

Claims Notification: RSUI Group, Inc.
945 East Paces Ferry Road, Suite 1800
Atlanta, GA 30326-1125
Phone: (404) 231-2366 / 800-818-5619
Fax: (404) 264-7239 (Attn: Claims Department)

Swett & Crawford

By:

Matthew S. Brott

(Authorized Representative)

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April 30, 2013

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EXCESS

Broker:	The Addis Group, LLC 2500 Renaissance Boulevard, Suite 100 King of Prussia, PA 19406	
INSURED: Mailing Address:	Synatech Holdings, Inc. 425 Williams Court, Suite 100 Baltimore, MD 21220	
Company:	Lloyd's Syndicate #1861 (50%) International Insurance Company of Hannover Limited (50%)	Policy No.: GEP9712
Effective Date:	05/01/2013	Expiration Date: 05/01/2014
Perils Insured:	Flood ONLY for Flood Zones "A" and "V" for locations noted below	
Property Covered:	All Real and Personal Property of the insureds including Electronic Data Processing, Improvements and Betterments, Machinery and Equipment, Business Income including Extra Expense, 90 Days Ordinary Payroll and other coverages all as more clearly defined in policy form	
Locations:	1. NYOFCO Pelletizer 1108 Oak Point Avenue Bronx, New York 10474	2. Philadelphia -Dewatering Building 7800 Penrose Ferry Road Philadelphia, Pennsylvania 19153
Limits of Liability:	As per Schedule, not to exceed	
	\$ 5,000,000	Per Occurrence, not to exceed
	\$ 5,000,000	in any one policy year as respects Flood
		Part of:
	\$ 10,000,000	Per Occurrence, not to exceed
	\$ 10,000,000	in any one policy year as respects Flood
		Excess of:
	\$ 20,000,000	Per Occurrence, which in turn, excess of Underlying Deductibles
	\$ 20,000,000	in any one policy year as respects Flood, which in turn, excess of

Synatech Holdings, Inc.

Policy No.: GEP9712

Underlying Deductibles

Sublimits: Per Primary

TIV: \$ 64,255,693

Primary Deductibles: Zones A and V
\$500,000 Real Property
\$500,000 Personal Property
\$100,000 Time Element

Valuation: Replacement Cost -Physical Damage
Actual Loss Sustained -Time Element

Coinsurance: Nil

Conditions:

D.I.C. wording - Flood Only to include but not limited to:
 NMA464 War and Civil War Exclusion Clause
 NMA1191 (Amended) Radioactive Contamination Exclusion Clause
 NMA2342 U.S.A. & Canada Seepage and/or Pollution and/or Contamination Exclusion
 NMA2962 Biological or Chemical Materials Exclusion
 NMA2915 Electronic Data Endorsement B
 2791MAP00001 Micro Organism Exclusion (MAP)
 NMA1136 Privacy Notice
 LMA5020 Service of Suit Clause (USA)
 LMA5096 Several Liability Clause (Combined Certificate)
 NMA1331 Cancellation Clause
 NMA2918 War and Terrorism Exclusion Endorsement
 LMA5092 U.S. Terrorism Risk Insurance Act of 2002 As Amended Not Purchased Clause
 OCC Endt - Occurrence Limit of Liability Endorsement -10% Margin Clause
 Designated Loss Adjuster: Vericlam
 Drop Down Provision
 Minimum Earned Premium Endorsement MEP Endt
 SLC3 (USA) NMA2868 - Certificate Declarations - All State

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Premium/Taxes/Fees: \$ 20,000.00 Premium
 \$ 25.00 PSLA Fee - PA
 \$ 600.00 Surplus Lines Tax - PA

Taxable Premium By State: PA - \$12,937.00 Home State
 NY - \$7,063.00

Synatech Holdings, Inc.

Policy No.: GEP9712

Minimum Earned Premium: 35% Minimum Earned
Company is: Non-Admitted Carrier
Cancellation: 90 days notice of cancellation except for nonpayment of premium 10 days
Subject To: Satisfactory inspection contact information at binding
Claims Notification: Global Excess Partners, LLC
555 Fifth Avenue
New York, NY 10017
Claims: (866) 302-7758

Swett & Crawford

By:

Matthew S. Brott

(Authorized Representative)

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EXCESS

Broker:	The Addis Group, LLC 2500 Renaissance Boulevard, Suite 100 King of Prussia, PA 19406	
INSURED:	Synatech Holdings, Inc.	
Mailing Address:	425 Williams Court, Suite 100 Baltimore, MD 21220	
Company:	Endurance American Specialty Insurance Company	Policy No.: CPN10003950700
Effective Date:	05/01/2013	Expiration Date: 05/01/2014
Perils Insured:	Earthquake and Earthquake Sprinkler Leakage	
Property Covered:	All Real and Personal Property of the Insured including Electronic Data Processing Equipment and Media, Machinery & Equipment, Business Income, Extra Expense, and 90 Days Ordinary Payroll	
Locations:	California and Hawaii locations as per the schedule on file with the company	

Synatech Holdings, Inc.

Policy No.: CPN10003950700

	As per Schedule, not to exceed
Limits of Liability:	\$ 10,000,000 Per Occurrence, not to exceed
	\$ 10,000,000 in any one policy year respects Earthquake and Earthquake Sprinkler Leakage
	Excess of:
	\$ 10,000,000 Per Occurrence, which in turn, excess of Underlying Deductibles
	\$ 10,000,000 in any one policy year Earthquake and Earthquake Sprinkler Leakage; which in turn, excess of Underlying Deductibles
Limit of Liability at 2653 Santiago Road, Taft, CA is additional provided	\$ 10,000,000 Per Occurrence, not to exceed
	\$ 10,000,000 in any one policy year respects Earthquake and Earthquake Sprinkler Leakage
	Excess of:
	\$ 20,000,000 Per Occurrence, not to exceed
	\$ 20,000,000 in any one policy year Earthquake and Earthquake Sprinkler Leakage; which in turn, excess of Underlying Deductibles
Sublimits:	Per primary
TIV:	\$ 73,846,794
Primary Deductibles:	5% Per Unit per occurrence, subject to a \$100,000 minimum as respects Earthquake and Earthquake Sprinkler Leakage
Valuation:	Replacement Cost - Physical Damage Actual Loss Sustained - Time Element
Coinsurance:	Nil

Conditions:

Follow Form subject to review and acceptance of primary policy within 75 days, otherwise;

Service of Suit ECP 1307 0512

Asbestos Exclusion ECP 0502 0606

Absolute Mold Exclusion ECP 0505 0606

Absolute Pollution Exclusion ECP 0501 0606

Minimum Earned Premium Clause ECP 1302 0606

Notice of Loss ECP 1310 0912

Exclusion for Certain Computer Related Losses ECP 0509 0409

Loss Adjustment Endorsement ECP 1301 0508

Statement of Values Margin Clause Endorsement ECP 1304 0109 (10% Margin Clause)

War and Terrorism Exclusion ECP 0507 0606

Territory Coverage Limitation ECP 1305 0606

Nuclear Exclusion Endorsement -Per form

Following form excess policy ECP 0223 0310

Earthquake is defined as Earth Movement per the primary policy

If the primary policy at anniversary excludes Earthquake Sprinkler Leakage from the Earthquake/Earth Movement definition, then this coverage would also exclude Earthquake Sprinkler Leakage

*the Occurrence Limit of Liability Endorsement restricts the amount of recovery to the amount declared in the

Synatech Holdings, Inc.

Policy No.: CPN10003950700

Conditions:

statement of values that was provided to Swett & Crawford Group and we sent to the underwriters. In the event the replacement cost of the property damaged or the resulting Time Element at the time of loss is greater than the amount declared in the statement of values, the insured will be penalized and recovery will be restricted to not exceed the amount declared in the statement of values. In no event will the recovery exceed the lesser of:

- Replacement Cost / Actual Loss Sustained at the time of loss
- The amount declared in the schedule of values.

If the schedule of values provides a breakdown of values between Real and Personal Property, Equipment, Business Interruption, Extra Expense, etc. the most the company will pay for any section; i.e., Real Property will be the lesser of the Replacement Cost / Actual Loss Sustained at the time of loss or the Amount declared in the schedule of values for that specific section of the statement of values.

Premium/Taxes/Fees:	\$	43,107.00	Premium
	\$	86.51	Stamping Fee - CA
	\$	1,297.71	Surplus Lines Tax - CA
	\$	150.00	Policy Catastrophe Analysis - CA

Taxable Premium/Fees	CA - \$38,625.00	Home State
By State:	HI - \$4,632.00	

Minimum Earned	25% Minimum Earned and Retained
Premium:	100% Minimum Earned on Fees

Company is:	Non-Admitted Carrier
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Cancellation:	90 Days Notice of Cancellation except 10 days for non-payment of premium
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Subject To:	Review and acceptance of primary policy Receipt of a Complete Lead or Followed policy and corresponding coverage parts Endurance must receive a copy of the followed form within 75 days of effective date or they will issue their policy using their policy form
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Claims Notification:	Endurance U.S. Insurance Operations 10 South Wacker, Suite 2970 Chicago, IL 60606 Phone No: 312-706-1745 Fax No: 312-706-1801
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Swett & Crawford

By:

Matthew S. Brott

(Authorized Representative)

For Non-Admitted Policies Only:

The Nonadmitted and Reinsurance Reform Act (NRRA) was enacted into law in July 2010 as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act and becomes effective in July 2011. A number of states have revised their laws and regulations to conform to the new law, and many more have legislation or interpretive guidance pending. The new state laws focus on surplus lines premium taxation and/or other issues addressed by the NRRA. Because of the changing rules and new laws, we may modify or update taxes or other items needed with this policy. You acknowledge that the actual applicable surplus lines taxes and/or fees may therefore be different than those shown on this document, and your acceptance of this constitutes your agreement to pay any additional amount that may be required by the state.



ONE LIBERTY PLACE
1650 MARKET STREET, SUITE 3700
PHILADELPHIA, PA 19103
Tel. 215-255-6467
Fax. 215-255-6535
E-mail: denise.hunter@aig.com

January 15, 2013

Attn: BARBARA ZONIN
Producer Name: THE ADDIS GROUP, LLC
Address: 2500 RENAISSANCE BLVD
STE 100
KING OF PRUSSIA, PA 19406-2772
Phone: 610-945-1019
Fax:
Re: INSURANCE CONFIRMATION
Policy Term: 01/15/2013 to 01/15/2014
Named Insured: GRAND VALLEY REGIONAL BIOSOLIDS AUTHORITY

Address: 1155 28TH STREET SW
WYOMING, MI 49509

We are pleased to present the attached binder for the captioned account.

Chartis is a world leading property-casualty and general insurance organization serving more than 40 million clients in over 160 countries and jurisdictions. With a 90-year history, one of the industry's most extensive ranges of products and services, deep claims expertise and excellent financial strength, Chartis enables its commercial and personal insurance clients alike to manage virtually any risk with confidence.

Chartis is the marketing name for the worldwide property-casualty and general insurance operations of Chartis Inc. For additional information, please visit our website at www.chartisinsurance.com.

Sincerely,

DENISE HUNTER
ENVIRONMENTAL UNDERWRITER

Named Insured: GRAND VALLEY REGIONAL BIOSOLIDS AUTHORITY
Submission #: 772755244
Policy #: GL 3414172
Issue Date: January 15, 2013
Producer Name: THE ADDIS GROUP, LLC



INSURANCE PROPOSAL

PRODUCT NAME: OWNERS AND CONTRACTORS PROTECTIVE LIABILITY
ISSUING COMPANY: COMMERCE AND INDUSTRY INSURANCE COMPANY
NEW/RENEWAL: RENEWAL OF POLICY NUMBER GL 3414172
PROPOSED POLICY TERM: 01/15/2013 to 01/15/2014
PROPOSAL EXPIRATION DATE:

SECTION I - COVERAGES, LIMITS, AND DEDUCTIBLES:

TYPE OF COVERAGE: OCCURRENCE

<u>Coverage</u>	<u>Limits</u>	
PRO POLICY	Each Occurrence Limit	\$1,000,000
	Aggregate Limit	\$1,000,000

Additional Section I Information:
 OCCURRENCE - PRO POLICY

NOTICE: PLEASE READ CAREFULLY THE ATTACHED POLICYHOLDER DISCLOSURE STATEMENT UNDER TERRORISM RISK ACT OF 2002. YOU HAVE REJECTED THIS COVERAGE.

SECTION II - PREMIUM & COMMISSION:

Premium: \$2,341
 Taxes, Fees & Surcharges: \$0
 Commission 0.00%

The premium must be remitted to COMMERCE AND INDUSTRY INSURANCE COMPANY within 30 days of the effective date of the policy, or within 15 days of billing, whichever is later. Taxes, Fees & Surcharges shown, if any, are not included in the Premium amount shown above.

SECTION III - CLASSIFICATIONS AND FORMS

CLASSIFICATION SCHEDULE:

<u>Classification</u>	<u>Class Code</u>	<u>Premium basis</u>
CONSTRUCTION OPERATIONS-CONTRACTORS (NOT RAILROADS)-EXCLUDING OPERATIONS ON BOARD SHIPS	16291	782600

FORMS: See Attached Schedule

SECTION IV - SUBJECT TO INFORMATION

The following information is needed within 15 DAYS of binding:

Written request to bind

Named Insured: GRAND VALLEY REGIONAL BIOSOLIDS AUTHORITY
 Submission #: 772755244
 Policy #: GL 3414172
 Issue Date: January 15, 2013
 Producer Name: THE ADDIS GROUP, LLC

FORM SCHEDULE

Form Number	Form Description
96557	TERRORISM EXCL - CERTIFIED ACTS
ILO021	NUCLEAR ENERGY LIAB EXCL (BROAD FORM)
89644	AMENDATORY ENDT- COVERAGE TERR
CG0009	OCP LIABILITY COV FORM
CG2838	MICHIGAN CHANGES
93840	OWNERS & CONTRACTORS PROT LIAB DEC
CG2809	PERSONAL INJURY LIABILITY

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11/06/2012

AMERICAN BANKERS
 INSURANCE COMPANY OF FLORIDA
 SCOTTSDALE AZ 85261-4337



ASSURANT
 Specialty
 Property*

GENERAL PROPERTY FORM
 RENEWAL

ISSUE DATE 11/06/2012

NAMED INSURED AND MAILING ADDRESS

SYNAGRO TECHNOLOGIES INC
 1800 BERING DR STE 1000
 HOUSTON TX 77057-3169

AGENT'S NAME AND ADDRESS

THE ADDIS GROUP LLC
 2500 RENAISSANCE BLVD
 SUITE 100
 KING OF PRUSSIA PA 19406

POLICY TERM: 1 YEAR(S) INCEPTION: 1/01/2013 EXPIRATION: 1/01/2014

THESE DECLARATIONS ARE EFFECTIVE 1/01/2013 12:01 A.M. LOCAL TIME AT THE DESCRIBED LOCATION
 COVERED BY THIS POLICY LOCATED AT THE ABOVE MAILING ADDRESS, UNLESS OTHERWISE STATED BELOW.

3501 ASIATIC AVE
 BALTIMORE MD 21226-1507

RATING INFORMATION

CONSTRUCTION DATE: 01/01/1987 COMMUNITY NAME: BALTIMORE, CITY OF
 BUILDING DESCRIPTION: NON-RESIDENTIAL COMMUNITY NO.: 2400870017D COMMUNITY RATING: 10
 NO. OF FLOORS: TWO PROGRAM STATUS: REGULAR RISK ZONE: AE
 BASEMENT/ENCLOSURE: FINISHED CONDO TYPE: NOT A CONDO NO. OF UNITS: N/A
 REPLACEMENT COST: 21,134,665 GRANDFATHERED: NO ELEVATED BUILDING: NO
 CONTENTS LOCATION: BASEMENT AND ABOVE

CURRENT FLOOD ZONE: AE RATING ELEVATION: 1

LIMITS OF LIABILITY	BUILDING	\$500,000	DEDUCTIBLE AMOUNTS	BUILDING	\$5,000
	CONTENTS	\$500,000		CONTENTS	\$5,000

RATES AND AMOUNT OF INSURANCE IN FORCE FOR BUILDING AND CONTENTS

TYPE OF COVERAGE	BASIC			ADDITIONAL			DEDUCTIBLE BUYBACK/DISC.	TOTAL PREMIUM
	AMT. OF INS.	RATE	PREMIUM	AMT. OF INS.	RATE	PREMIUM		
BUILDING	175,000 x	.33 =	\$578	325,000 x	.11 =	\$358	- \$103.00	\$833.00
CONTENTS	150,000 x	.22 =	\$330	350,000 x	.12 =	\$420	- \$82.00	\$668.00

PREMIUM SUBTOTAL	1,501.00
COVERAGE D (ICC)	4.00
CRS DISCOUNT	0.00
PROBATION SURCHARGE	0.00
FEDERAL POLICY FEE	40.00
TOTAL PAID PREMIUM	\$1,545.00

ENDORSEMENTS:
 ABIC:AB4

AGENCY NO. 1M74001	PRODUCER NO.	AGENT PHONE NO. (610) 279-8550	PAYOR INSURED	COUNTERSIGNATURE
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**IMPORTANT INFORMATION ABOUT THE
NATIONAL FLOOD INSURANCE PROGRAM**

Federal law requires insurance companies that participate in the National Flood Insurance Program to provide you with the enclosed Summary of Coverage. It's important to understand that the Summary of Coverage provides only a general overview of the coverage afforded under your policy. You will need to review your flood insurance policy, Declarations Page, and any applicable endorsements for a complete description of your coverage. The enclosed Declarations Page indicates the coverage you purchased, your policy limits, and the amount of your deductible.

You will soon receive additional information about the National Flood Insurance Program. This information will include a Claims Handbook, a history of flood losses that have occurred on your property, as contained in FEMA's database, and an acknowledgement letter.

If you have any questions about your flood insurance policy, please contact your agent (refer to your Declaration Page on the reverse side.)

Bryan Klipfel
Director



North Dakota
Workforce Safety
& Insurance
Putting Safety to Work
www.WorkforceSafety.com

1600 East Century Avenue, Suite 1
PO Box 5585
Bismarck ND 58506 - 5585

FAX COVER SHEET

To: Sue Gregory

Fax Number: 17133691751

From: Jen

Date & Time Send: 5/7/2013 16:59:22

Subject: Drilling Solutions LLC

Certificate



**North Dakota
Workforce Safety
& Insurance**
Putting Safety to Work

**CERTIFICATE OF
PREMIUM PAYMENT**
WORKFORCE SAFETY & INSURANCE
EMPLOYER SERVICES
SFN 4920 (04/2007)

1600 EAST CENTURY AVENUE, SUITE 1
PO BOX 5585
BISMARCK ND 58506-5585
Telephone 1-800-777-5033
Toll Free Fax 1-888-786-8695
TTY (hearing impaired) 1-800-366-6888
Fraud and Safety Hotline 1-800-243-3331
www.WorkforceSafety.com

DRILLING SOLUTIONS LLC
PO BOX 111
RAYNE LA 70578-

Employer Account Number: 1296411

Issued Date: 07/09/2012

Expiration Date: 06/14/2013

CERTIFICATE OF PREMIUM PAYMENT

This is to certify that North Dakota Workers Compensation coverage is effective for the employer named on this certificate. Employees of the named employer are entitled to apply for the rights and benefits of Workforce Safety and Insurance(WSI).

Coverage under this certificate extends to North Dakota based employers for their North Dakota exposure. Limited coverage extends beyond the physical boundaries of North Dakota. Contact the Policyholder Services Department of WSI at 1-800-777-5033 for further information on coverage issues or to inquire into the status of the holder of this certificate.

North Dakota Century Code § 65-04-04 requires that each employer post this Certificate of Premium Payment in a conspicuous manner at the workplace. A penalty of \$250 may apply for failure to comply with this requirement.

A Certificate of Premium Payment may be revoked for failure to make required premium payments.

Barry Schumacher

Barry Schumacher
Chief of Employer Services

Class	Classification Description
6204	Oil & Gas Well Sply Or Equip

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11/06/2012

AMERICAN BANKERS
 INSURANCE COMPANY OF FLORIDA
 SCOTTSDALE AZ 85261-4337



ASSURANT
 Specialty
 Property®

**GENERAL PROPERTY FORM
 RENEWAL**

ISSUE DATE 11/06/2012

NAMED INSURED AND MAILING ADDRESS
SYNAGRO TECHNOLOGIES INC
ATTN: SUE GREGORY
1800 BERING DR STE 1000
HOUSTON TX 77057

AGENT'S NAME AND ADDRESS
THE ADDIS GROUP LLC
2500 RENAISSANCE BLVD
SUITE 100
KING OF PRUSSIA PA 19406

POLICY TERM: 1 YEAR(S) INCEPTION: 1/01/2013 EXPIRATION: 1/01/2014

THESE DECLARATIONS ARE EFFECTIVE 1/01/2013 12:01 A.M. LOCAL TIME AT THE DESCRIBED LOCATION COVERED BY THIS POLICY LOCATED AT THE ABOVE MAILING ADDRESS, UNLESS OTHERWISE STATED BELOW.

345 E SHORE PKWY
NEW HAVEN CT 06512-1813

RATING INFORMATION

CONSTRUCTION DATE: 01/01/1979	COMMUNITY NAME: NEW HAVEN, CITY OF
BUILDING DESCRIPTION: NON-RESIDENTIAL	COMMUNITY NO.: 0900840005D COMMUNITY RATING: 10
NO. OF FLOORS: TWO	PROGRAM STATUS: REGULAR RISK ZONE: A06
BASEMENT/ENCLOSURE: FINISHED	CONDO TYPE: NOT A CONDO NO. OF UNITS: N/A
REPLACEMENT COST: 1,838,736	GRANDFATHERED: NO ELEVATED BUILDING: NO
CONTENTS LOCATION: BASEMENT AND ABOVE	

CURRENT FLOOD ZONE: A06 RATING ELEVATION: N/A

LIMITS OF LIABILITY	BUILDING	\$500,000	DEDUCTIBLE AMOUNTS	BUILDING	\$5,000
	CONTENTS	\$500,000		CONTENTS	\$5,000

RATES AND AMOUNT OF INSURANCE IN FORCE FOR BUILDING AND CONTENTS

TYPE OF COVERAGE	BASIC			ADDITIONAL			DEDUCTIBLE BUYBACK/DISC.	TOTAL PREMIUM
	AMT. OF INS.	RATE	PREMIUM	AMT. OF INS.	RATE	PREMIUM		
BUILDING	175,000	x .88 =	\$1,540	325,000	x 1.51 =	\$4,908	- \$451.00	\$5,997.00
CONTENTS	150,000	x 1.62 =	\$2,430	350,000	x 2.58 =	\$9,030	- \$802.00	\$10,658.00

PREMIUM SUBTOTAL	16,655.00
COVERAGE D (ICC)	55.00
CRS DISCOUNT	0.00
PROBATION SURCHARGE	0.00
FEDERAL POLICY FEE	40.00
TOTAL PAID PREMIUM	\$16,750.00

ENDORSEMENTS:
ABIC:AB4

AGENCY NO. 1M74001	PRODUCER NO.	AGENT PHONE NO. (610) 279-8550	PAYOR INSURED	COUNTERSIGNATURE
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IMPORTANT INFORMATION ABOUT THE
NATIONAL FLOOD INSURANCE PROGRAM

Federal law requires insurance companies that participate in the National Flood Insurance Program to provide you with the enclosed Summary of Coverage. It's important to understand that the Summary of Coverage provides only a general overview of the coverage afforded under your policy. You will need to review your flood insurance policy, Declarations Page, and any applicable endorsements for a complete description of your coverage. The enclosed Declarations Page indicates the coverage you purchased, your policy limits, and the amount of your deductible.

You will soon receive additional information about the National Flood Insurance Program. This information will include a Claims Handbook, a history of flood losses that have occurred on your property, as contained in FEMA's database, and an acknowledgement letter.

If you have any questions about your flood insurance policy, please contact your agent (refer to your Declaration Page on the reverse side.)



Ironshore Insurance Services LLC.
A subsidiary of Ironshore Holdings (U.S.) Inc.
IronEnviroSM
Kevin J Fee
50 S. 16th Street, Suite 3410
Philadelphia, PA 19102
Phone: 267-443-2875
Kevin.fee@ironshore.com

DATE: 5/2/2013
ATTN: John Heft
 New Day Underwriting Managers
 33 Third Street
 Bordentown, NJ 08505
PHONE: 609-298-3516
Email: JohnH@newdayunderwriting.com

Ironshore Environmental (IronEnviroSM) Insurance Binder for:

First Named Insured: Synatech Holdings, Inc.
Mailing Address: 1800 Bering Drive, Suite 1000
 Houston, TX 77057

Policy Form: ENVIRONMENTAL PROTECTION INSURANCE COVERAGE PACKAGE (EPIC PAC)
Policy Period: From: 5/1/2013 to: 5/1/2014

Issuing Company: Ironshore Specialty Insurance Company
Policy Number: 001659300

Dear John,

We are pleased to provide the following binder confirmation for the above captioned insured. Below is a summary of premiums, commission, terms and conditions of the proposal. Thank you for the order!.

<u>Limits of Insurance and Deductible:</u>	<u>Limit</u>	<u>Deductible</u>
Each Occurrence Limit – COVERAGE PART I: Coverage A, B, C Inclusive	\$ 1,000,000	\$250,000
Coverage A: General Bodily Injury and Property Damage Liability		
Coverage B: Hostile Fire and Building Equipment Liability		
Coverage C: Products Pollution and Exposure Liability		
Each Occurrence Limit – COVERAGE PART I: Coverage D, E, F Inclusive	\$ 1,000,000	\$250,000
Coverage D: Time-Element Pollution Bodily Injury and Property Damage Liability		
Coverage E: Non-Owned Site Pollution Bodily Injury and Property Damage Liability		
Coverage F: Pollution Liability during Transport		
Contractors Pollution Liability Each Occurrence Limit: Coverage G	\$ 1,000,000	\$250,000
Damage to Premises Rented to You Limit: Any one Premises	\$ 500,000	N/A
Personal and Advertising Injury Limit: Any One Person or organization	\$ 1,000,000	N/A
Employee Benefits Administration Liability Limit: Each Employee	\$ 1,000,000	N/A
Medical Expense Limit: Any one person	\$ 25,000	N/A
Each Incident Limit – COVERAGE PART III: Site Pollution Legal Liability	\$ 1,000,000	\$250,000
Each Incident Limit – COVERAGE PART IV: Professional Liability	\$ 1,000,000	\$250,000
GENERAL AGGREGATE LIMIT	\$ 2,000,000	N/A
PRODUCTS COMPLETED OPERATIONS AGGREGATE	\$ 2,000,000	N/A

****Please note this is a deductible program, NOT Self Insured Retention**



POLICY PREMIUM (Excluding TRIA): \$948,132

Commission: 8.5%

Professional Liability Retroactive Date: 8/14/2000

Projected Annual Revenue: \$ 322,832,000

COVERAGE PART III: SITE POLLUTION INCIDENT LEGAL LIABILITY – Schedule of Insured Sites

<u>Insured Sites</u>	<u>Applicable Coverage</u>	<u>Retro Date</u>
See Insured Site Schedule Endorsement		

COVERAGE FORMS AND ENDORSEMENT SCHEDULE:

Name	Number	Fill-In Information
Environmental Protection Insurance Coverage Package (EPIC PAC) Coverage Form	IE.COV.EPIC.001	
Environmental Protection Insurance Coverage Package (EPIC PAC) Declarations Page	IE.DEC.EPIC.001	See Above
Claims Notice	IE.PN.ALL.002 (10/10)	None
Terrorism Exclusion	IE.END.ALL.002 (4/09)	None
Insured Site Schedule	IE.END.EPIC.003 (4/09)	See Attached
Named Insured Endorsement	IE.END.ALL.000 (04/09)	See Attached
IN REM Endorsement	IE.END.EPIC. (03/10)	None
Underground Storage Tank Schedule	IE.END.EPIC.000 (03/10)	Subject to satisfactory integrity testing results in past 12 months. All information to fill-in endorsement
Scheduled Watercraft	IE.END.EPIC.035 (04/11)	Owned boats will be listed per the Watercraft spreadsheet schedule
Professional Services Exclusion – Coverage Part I	IE.END.EPIC.026 (01/10)	none
Minimum Earned Premium	IE.END.EPIC.032 (04/11)	See Attached
Specified Additional Insured	IE.END.EPIC.012 (04/11)	See Attached
Specified Entity – Waiver of Rights of Recovery	IE.END.EPIC. (05/09)	See Attached
Suit Definition Amendment	Manuscript	none
Prior Professional Incident Exclusion Amendment	Manuscript	none

Policy Coverage Highlights:

- Occurrence coverage trigger for **COVERAGE PART I** and **COVERAGE PART II**
- Defense outside the limits for **COVERAGE PART I** and **COVERAGE PART II**
- Broad Form Named Insured
- Blanket Broad Additional Insured with non-contributory clause
- Per Project Aggregate including Contractors Pollution Liability
- Per Location Aggregate applicable to General Bodily Injury and Property Damage Liability
- Newly Acquired Entity coverage for up to 180 days
- No limitation on length of non-owned watercraft
- No premium audit provision
- Products Pollution and Exposure as a specific insuring agreement
- World-Wide Products and Products Pollution coverage



- Blanket Short Term Pollution Event (10 day discovery/30 day reporting) coverage for bodily injury and property damage.
- Blanket Non-Owned Location coverage for Bodily Injury and Property Damage from Pollution Incidents
- Pollution liability during transportation including all loading and unloading
- Pollution incidents include those arising from mold matter

CONDITIONS OF THE PROPOSAL:

This proposal is subject to receipt, review and acceptance of the following by the indicated date:

1. Written request to bind terrorism or receipt of the Terrorism Rejection notice **within 3 days of effective date**
2. Producer Surplus Lines number **within 3 days of effective date**
3. Most recent tank tightness testing (within past 12 months) for the scheduled UST, **within 3 days of effective date**
4. Provide the watercraft use and length for each scheduled watercraft, per endorsement, **within 3 days of effective date**
5. Confirmation Synatech Holdings, Inc., has at least 50% or more ownership interest in each scheduled named Insured **within 3 days of effective date. Confirmation the entities qualify under 1 FEIN #.**
6. Complete Addresses for Cell Tower Pad in Amelia, Va and Deep Creek Pad in Amelia County, VA, **within 3 days of effective date**
7. A letter of credit in the amount of \$500,000 **within 5 days of the effective date. *The bank should issue a draft LOC which we approve and then they issue the final***

Please note this program Does Not provide the following:

- 1) Limited Advice of Cancellation to Entities Other Than The Named Insured
- 2) Amendment of the Definition of Pollution Conditions to Include Silt and Sedimentation
- 3) On-site Clean Up Coverage for Waverly Landfill

The Premium amount(s) stated in this proposal does not include any applicable surplus lines tax and fees. Surplus lines taxes, fees and filings are the sole responsibility of the broker. We will require your surplus lines license number upon binding.

The Premium amount(s) stated in this proposal does not include the premium for Terrorism Risk Insurance Act Coverage. Please see the attached Disclosure Statement regarding Terrorism Risk Insurance Act and the premium for such coverage. In the event that you chose to purchase Terrorism Risk Insurance Act Coverage along with the option above, the total premium shall be the premium shown above plus the Terrorism Risk Insurance Act Coverage premium.

This proposal is an overview of coverages, terms and conditions offered. All coverages are subject to the terms and conditions as defined in the policy form. It is your responsibility to review them carefully. This proposal and the terms and conditions of the policy may differ from the specifications requested in the submission.

Thank you for binding coverage with Ironshore Environmental. If you have any questions or concerns, please feel free to contact me.

Sincerely,

Kevin J Fee
Vice President



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)
CONTRACTORS ENVIRONMENTAL LEGAL LIABILITY (CELL)
ENVIRONMENTAL PROTECTIVE INSURANCE COVERAGE PACKAGE (EPIC PAC)
ENVIRONMENTAL EXCESS LIABILITY

It is hereby agreed that the policy is amended as follows

1. The following Exclusion is added:

This insurance does not apply to:

TERRORISM

Any injury or damage arising, directly or indirectly, out of **terrorism**

2. For the purposes of this endorsement, the following definitions are added:

Any injury or damage means any injury or damage covered under the policy and includes but is not limited to **bodily injury, property damage, environmental damage, remediation expense, emergency response expense, personal and advertising injury**, negligent acts, errors or omissions or **professional incident** as may be defined in the policy.

Terrorism means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion. Terrorism includes an act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act.

ALL OTHER TERMS, CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

INSURED SITE SCHEDULE

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECTION INSURANCE COVERAGE PACKAGE (EPIC PAC)

SECTION I – COVERAGES, COVERAGE PART III: SITE POLLUTION, Coverage A - Bodily Injury and Property Damage Liability, Coverage B - First and Third Party On-Site Clean-Up Costs and Coverage C – Off-Site Clean-Up Costs apply when identified by an “x” in the applicable Coverage section subject to the corresponding retroactive date:

INSURED SITE(S)	COVERAGE A	COVERAGE B	COVERAGE C	RETROACTIVE DATE
Decatur Field Office 501 Woodall Road Decatur, AL 35601	X	X	X	08/14/2000
Decatur Dewatering Project (Dry Creek WWTP) 902 Wilson Street NW Decatur, AL 35601	X	X	X	05/01/2012
Arizona Soils Compost Facility 41326 McVey Road Salome, AZ 85348	X	X	X	08/14/2000
Phoenix Project Office 5615 South 91 st Street Tolleson, AZ 85353	X	X	X	08/14/2000
Blythe, CA – Property Highway 10 near Airport Blythe, CA 92225	X	X	X	11/01/2010
West Region Sales Office 1499 Bayshore Hwy, Suite 113 Burlingame, CA 94030	X	X	X	08/14/2000
Sunnyvale Project Operations 1444 Borregas Avenue Sunnyvale, CA 94086	X	X	X	05/1/2013
Central Valley Compost Facility 13757 S. Harmon Rd Dos Palos, CA 93620	X	X	X	08/14/2000
Sacramento Pelletizer Facility 8600 Laguna Station Rd. Elk Grove, CA 95758	X	X	X	08/14/2000
Suisun City Office 3845 Bitchell Lane Suisun City, CA 94850	X	X	X	08/14/2000
South Kern Compost Facility (SKIC) 2663 Santiago Road Taft, CA 93268	X	X	X	08/14/2000



EPIC – Colorado Rail Operations 31005 County Rd. 19 Lamar, CO 81052	X	X	X	08/14/2000
Naugatuck Repair Shop 66 Naugatuck Drive Naugatuck, CT 06770	X	X	X	06/01/2010
New Haven Incineration Facility 345 East Shore Parkway New Haven, CT 06511	X	X	X	08/14/2000
Stamford Pelletizer Facility 1 Harbor View Avenue, Bldg. 15, 3 rd Fl Stamford, CT 06902	X	X	X	03/01/2008
Waterbury Incineration Facility 199 Municipal Rd. Waterbury, CT 06708	X	X	X	08/14/2000
Northeast Regional Office 680 Main Street, Suite 303 & 305	X	X	X	05/01/2013
OPMG Office 1486 N. Wilson Ave Bartow, FL 33830	X	X	X	08/14/2000
Ft. Pierce Office/Shop 2200 North Kings Highway Ft. Pierce, FL 34951	X	X	X	08/01/2008
Fort Pierce (FPUA) WRF 403 Seaway Drive Ft. Pierce, FL 34951	X	X	X	03/01/2010
Martin County Dewatering (FL East) North WWTP 3100 NW Hillman Jensen Beach, FL 34957	X	X	X	03/01/2010
Pinellas County 5900 74 th Street North St. Petersburg, FL 33709	X	X	X	05/01/2012
Lake Placid Rail Head 2825 Old State Road, Rte. 8 Lake Placid, FL 33852	X	X	X	11/01/2010
Marco Island Dewatering 771 Elkcam Circle East Marco Island, FL 34145	X	X	X	10/22/2009
Sarasota Storage Yard 4860 17 th St. Sarasota, FL 34235	X	X	X	05/01/2012
Indian River County Dewatering 1355 74 th Avenue SW Vero Beach, FL 32966	X	X	X	05/01/2012
Albany Project Office 2726-B Joshua St. Albany, GA 31701	X	X	X	05/01/2012
Nutrasweet Project Office 1762 Lovers Lane Augusta, GA 30901	X	X	X	08/17/2000
Griffin Project – Harry Simmons Filter WTP 229 North Expressway	X	X	X	11/01/2010



Griffin, GA 30223				
Honolulu Pelletizer 1350 Sand Island Parkway Honolulu, HI 96819	X	X	X	08/14/2000
IP – Cedar Rapids 4600 C Street SW Cedar Rapids, IA 52404	X	X	X	11/01/2010
Elgin Office 1250 Larkin Avenue, Suite 10 Elgin, IL 60123	X	X	X	05/01/2009
Grant Park - Northern IL Shop 13367 East RT 17, Building A Grant Park, IL 60940	X	X	X	05/01/2009
Hampshire – Southern II Shop 48 W075 Rt 27 Hampshire, IL 60140	X	X	X	05/01/2009
Lake in the Hills Dewatering Facility 515 Plum Street Lake in the Woods, IL 60102	X	X	X	08/14/2000
Illinois Storage Pad 45W1861 Trail Maple Park, IL 60151	X	X	X	05/01/2013
South Louisiana Office 106 N Parkerson Street Rayne, LA 70578	X	X	X	05/01/2013
Lowell Project Office First Street Blvd. (Rt. 110) Lowell, MA 01850	X	X	X	04/14/2000
Anne Arundel County – Annapolis 7228 Edgewood Rd Annapolis, MD 21403	X	X	X	08/14/2000
Anne Arundel County – Broadneck Log Inn Rd. Annapolis, MD 21401	X	X	X	08/14/2000
Anne Arundel County – Patuxent Cronson Blvd Crofton 21114	X	X	X	05/01/2103
Baltimore – Patapsco Pelletizer 3501 Asiatic Ave Baltimore, MD 21226	X	X	X	08/14/2000
Baltimore – Shop & TS Office 7014 E. Baltimore St. Baltimore, MD 21224	X	X	X	08/14/2000
Baltimore – Back River Pelletizer 8201 Eastern Blvd. Baltimore, MD 21224	X	X	X	08/14/2000
Anne Arundel County – Cox Creek 8833 Ft. Smallwood Rd. Baltimore, MD 21224	X	X	X	08/14/2000
Anne Arundel County – Broadwater 1161 Deep Cove Rd Churchton, MD 20733	X	X	X	08/14/2000



Frederick County – Ballenger Creek WWTP 7303 Marcie’s Choice Lane Frederick, MD 21704	X	X	X	05/01/2012
Hagerstown Pelletizer 1030 Frederick St. Hagerstown, MD 21740	X	X	X	08/14/2000
Charles County – Mattawoman WWTP 5310 Hawthorne Road La Plata, MD 20646	X	X	X	05/01/2012
Parkway Project Office 10100 Canadian Way Laurel, MD 20708	X	X	X	07/22/2010
Howard County – Little Patuxent WRP 8900 Greenwood Place Savage, Md 20763	X	X	X	08/14/2000
Bruning Farm Lagoon – Snow Hill, Md 5332 Taylor Road Snow Hill, Md 21863	X	X	X	01/01/2010
Whiteford Office 1605 Dooley Road Whiteford, MD 21160	X	X	X	08/14/2000
White Marsh Office 435 Williams Sourt, Suite 100 Baltimore, MD 21220	X	X	X	05/01/2012
Lansing Project Office 807 Lake Lansing Rd Lansing, MI 48906	X	X	X	08/14/2000
Lansing Project Office 745 Lake Lansing Rd Lansing, MI 48906	X	X	X	08/14/2000
Wyoming Project Office (MI) 2350 Ivanrest SW Wyoming, MI 49418	X	X	X	03/01/2010
Eaton County MI Site 2819 S Cochran Charlottesville, MI 48813	X	X	X	05/01/2012
NC Office & Shop 284 Boger Road Mocksville, NC 27006	X	X	X	11/01/1999
Charlotte Project Office 12701 Lancaster Hwy. Pineville, NC 28134	X	X	X	08/14/2000
Wilmington Project Office 4326 Market St Wilmington, NC 28403	X	X	X	08/14/2000
Wilmington Dewatering 2311 N. 23 rd Street Wilmington, NC 28402	X	X	X	11/01/2010
Wilmington – Southside WWTP 3436 River Road Wilmington, NC 28402	X	X	X	05/01/2012
City of Eden WWTP	X	X	X	05/01/2012



204 Mebane Bridge Road Eden, NC 27288				
Eden Project Office 1212 Infinity Road, Durham, NC 27712	X	X	X	05/01/2013
EPIC – Main Office 100 Stierli Court, Suite 103 Mt. Arlington, NJ 07856	X	X	X	08/14/2000
Camden Drilling Facility 1645 Ferry Ave. Camden, NJ 08104	X	X	X	05/01/2012
PVSC 279 Park Avenue Patterson, NJ 07513	X	X	X	05/01/2013
EPIC – Brills Yard 319 Avenue P Newark, NJ 07105	X	X	X	05/01/2013
NYOFCO Pelletizer 1108 Oak Point Ave Bronx, NY 10474	X	X	X	08/14/2000
New York Digesters Coster Street / Rayawa Avenue Bronx, NY 10474	X	X	X	05/01/2013
Coshocton Dewatering Facility 2742 County Rd 271 Coshocton, OH 43812	X	X	X	08/14/2000
Montgomery County Dewatering Facility Eastern Regional Plant 1800 Spalding Rd Kettering, OH 45432	X	X	X	08/14/2000
Lancaster Shop 818 Lawrence St Lancaster, OH 43130	X	X	X	08/14/2000
Miamisburg Office 4515 Infirmary Rd Miamisburg, OH 45342	X	X	X	08/14/2000
Troy Dewatering Facility 1400 Dye Mill Rd Troy, OH 45373	X	X	X	08/14/2000
Montgomery County Dewatering Facility Eastern Regional Plant 4111 Hydraulic Rd West Carrollton, OH 45449	X	X	X	08/14/2000
Northeast Ohio Office 11524 State Road, 43 East Amsterdam, OH 43903	X	X	X	08/14/2000
Pickerington Dewatering Facility Hill Road South Pickerington, OH 43147	X	X	X	05/01/2013
Lancaster Dewatering Facility 818 Lawrence St. Lancaster, OH 43130	X	X	X	05/01/2013
Philadelphia Biosolids Services 7800 Penrose Ferry Road Philadelphia, Pa. 19153	X	X	X	10/10/2008



Hypex Lansdale Shop 451 North Cannon Ave Lansdale, Pa 19446	X	X	X	05/01/2012
Providence Soils – NBC – Bucklin Point 25 Nassau St Pautucket, RI 02914	X	X	X	11/01/2010
Providence Soils – NBC – Fields Point 2 Ernst St Providence, RI 02916	X	X	X	08/14/2000
Woonsocket Incineration Facility 15 Cumberland Hill Rd Woonsocket, RI 02895	X	X	X	08/14/2000
Wyoming Storage Pad (RI) 35 Stilson Rd. Wyoming, RI 02898	X	X	X	08/14/2000
Hope Field Office 80 North Road Scituate, RI 02825	X	X	X	05/01/2012
Rock Hill, SC – Manchester Creek WWTP 2102 Cherry Rd Rock Hill, SC 29732	X	X	X	05/01/2012
ReWa 660 Mauldin Road Greenville, SC	X	X	X	05/01/2013
Rich Foods 5885 Jetway Drive Arlington, TN 38002	X	X	X	05/01/2012
Chattanooga Project Office 455 Moccasin Bend Road Chattanooga, TN 37404	X	X	X	04/12/2010
Knoxville Project Office 2015 Neyland Dr. Knoxville, TN 37916	X	X	X	08/14/2000
Corporate Headquarters 1800 Bering Dr. Houston, TX 77041	X	X	X	08/14/2000
Sims Bayou WWTP 9500 Lawndale Houston, TX 77017	X	X	X	05/01/2013
Drilling Solutions 880 Blue Mound Road, Suite 303 Ft Worth, TX 76052	X	X	X	05/01/2013
Drilling Solutions – Shop 830 N. 181 ByPass Beeville, TX 78102	X	X	X	05/01/2013
Tyler Project Office (WCWC) 14939 County Rd 46 Tyler, TX 75704	X	X	X	08/14/2000
Tyler – Southside WWTP Cumberland Road West (CR 110) Tyler, TX 75703	X	X	X	05/01/2012
EPIC – Amelia Rail Yard	X	X	X	11/01/2010



Milepost CAB – 117.67 Gladstone, VA 24553				
Virginia Office 10647 Tidewater Trail Champlain, VA 22438	X	X	X	08/14/2000
EPIC Waverly Landfill 3474 Atlantic Lane Waverly, VA 23890	X		X	05/01/2012
Fredericksburg Dewatering 700 Beulah Salisbury Road Fredericksburg, VA 22401	X	X	X	05/01/2013
Cell Tower Pad Amelia, VA	X	X	X	05/01/2013
Deep Creek Pad	X	X	X	05/01/2013
Oak Creek Storage Facility 9006 S. 5 th Ave. Oak Creek, WI 53154	X	X	X	10/24/1998
Wisconsin Rapids Shop 2830 Plover Road Wisconsin Rapids, WI 54494	X	X	X	05/01/2012
Wisconsin Office & Shop 5300 Stewart Avenue, Suite 400D Wausau, WI 54401	X	X	X	08/01/2008

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

NAMED INSURED

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)
CONTRACTORS ENVIRONMENTAL LEGAL LIABILITY (CELL)
ENVIRONMENTAL PROTECTIVE INSURANCE COVERAGE PACKAGE (EPIC PAC)
ENVIRONMENTAL EXCESS LIABILITY

It is hereby agreed that the following are added to **Item 1.** of the Declarations as Named Insureds:

1. Charlotte County Bio-Recycling Center, LLC
2. Drilling Solutions, LLC
3. Earthwise Organics, LLC
Earthwise Organics, LLC dba Earthwise Trucking
Earthwise Organics, LLC dba Chino Composting
4. Environmental Protection & Improvement Company, LLC
Environmental Protection & Improvement Company, LLC dba EPIC
Environmental Protection & Improvement Company, LLC dba EPIC, LLC
5. JABB II, L.L.C.
6. NETCO –Waterbury, LP
7. New Haven Residuals, LP
8. New York Organic Fertilizer Company
9. Parsippany-Troy Hills Bio-Energy Center, LLC
10. Philadelphia Biosolids Services, LLC
11. Philadelphia Project Finance, LLC
12. Philadelphia Project Holding, LLC
13. Philadelphia Renewable Bio-Fuels, LLC
14. Providence Soils, LLC
15. Sacramento Project Finance, Inc.
16. Soaring Vista Properties, LLC
17. South Kern Industrial Center, LLC
South Kern Industrial Center, LLC dba South kern Compost Manufacturing Facility
18. St Interco, Inc.
19. Synagro - Baltimore, L.L.C.
20. Synagro - Connecticut, LLC
21. Synagro – WCWNJ, LLC
22. Synagro – WWT, Inc.
23. Synagro Central, LLC
24. Synagro Composting Company of California, LLC
25. Synagro Detroit, LLC
26. Synagro Drilling Solutions, LLC
27. Synagro Hypex, LLC
28. Synagro Management, LP
29. Synagro Northeast, LLC
30. Synagro of California, LLC
31. Synagro of Minnesota-Rehbein, LLC
32. Synagro of Texas-CDR, Inc.
33. Synagro Organic Fertilizer Company of Sacramento, Inc.
34. Synagro Product Distribution, LLC



35. Synagro South, LLC
36. Synagro Technologies, Inc.
37. Synagro Texas, LLC
38. Synagro West, LLC
Synagro West, LLC dba Central Valley Composting
39. Synagro Woonsocket, LLC
40. Synagro-Hypex, LLC
41. Synatech Holdings, Inc.
42. A & J Cartage Southeast, Inc.
43. A & J Cartage, Inc.
44. AKH Water Management, Inc.
45. AMSCO, Inc.
46. Anti-Pollution Associates, Inc.
47. Aspen Resources, Inc.
48. Atlantic Residuals Company, L.L.C.
49. BFI Organics Divisions
50. Bio Gro Systems, Inc.
51. CDR Environmental, Inc.
52. CDR Mid-Atlantic
53. CDR Mid-Atlantic – OH
54. Composting Corporation of America
55. D&D Pumping, Inc.
56. Davis Water Analysis, Inc.
57. Earthwise Organics, Inc.
58. Earthwise Trucking
59. Ecosystematics, Inc.
60. Enviroland, Inc.
61. Environmental Protection & Improvement Company, Inc.
62. Environmental Waste Recycling, Inc.
63. Fairhaven Residual Systems, Inc.
64. Fairhaven Residuals, Limited Partnership
65. Future – Tech Environmental Services, Inc.
66. Grand Rapids Biosolids Services, LLC
67. Inception Savings
68. Jewell’s Sewage Service North, Inc.
69. Michigan Organic Resources, Inc.
70. Milwaukee Bulk Terminal Fertilizer, Inc.
71. National Resource Recovery, Inc.
72. NETCO – Connecticut, Inc.
73. NETCO – Residuals Management Systems, Inc.
74. NETCO – Residuals Management, Limited Partnership
75. NETCO – Waterbury Systems, Inc.
76. NETCO – Waterbury, Inc.
77. New England Treatment Company, Inc.
78. New Haven Residuals Systems, Inc.
79. NYOFKO Holdings Inc.
80. Organi Gro, Inc.
81. Organi Gro, LLC
82. Pima Gro Systems, Inc.
83. Recyc, Inc.
84. Rehbein, Inc.
85. Residual Technologies Systems, Inc.
86. Residual Technologies, Limited Partnership



- 87. Residuals Processing, Inc.
- 88. Soaring Vista Properties, Inc.
- 89. Synagro – Connecticut, Inc.
- 90. Synagro – Florida, LLC
- 91. Synagro – Sarasota, LLC
- 92. Synagro WCWNJ, Inc.
- 93. Synagro Canada, Inc.
- 94. Synagro Central, Inc.
- 95. Synagro Composting Company of California, Inc.
- 96. Synagro Composting, LLC
- 97. Synagro de Puerto Rico, LLC
- 98. Synagro Delaware, Inc.
- 99. Synagro Delaware, LLC
- 100. Synagro Digestion, Inc.
- 101. Synagro Energy Services, LLC
- 102. Synagro Mid-Atlantic, Inc.
- 103. Synagro Midwest – Enviroland, Inc.
- 104. Synagro Midwest, Inc.
- 105. Synagro Northeast, Inc.
- 106. Synagro of California, Inc.
- 107. Synagro of Florida – A&J, Inc.
- 108. Synagro of Florida – Anti-Pollution, Inc.
- 109. Synagro of Florida – Davis Water, Inc.
- 110. Synagro of Florida – Ecosystems, Inc.
- 111. Synagro of Florida, Inc.
- 112. Synagro of Michigan, Inc.
- 113. Synagro of Minnesota-Rehbein, Inc.
- 114. Synagro of North Carolina – Amsco, Inc.
- 115. Synagro of North Carolina – EWR, Inc.
- 116. Synagro of North Carolina, Inc.
- 117. Synagro of Texas – Vital-Cycle, Inc.
- 118. Synagro of Wisconsin – Aspen, Inc.
- 119. Synagro South, Inc.
- 120. Synagro Southeast, Inc.
- 121. Synagro Southwest, Inc.
- 122. Synagro Texas, Inc.
- 123. Synagro West, Inc.
- 124. Synagro Woonsocket, Inc.
- 125. Synagro-Collier, LLC
- 126. Vital-Cycle, Inc.
- 127. Wheelabrator Clean Water New Jersey, Inc.
- 128. Wheelabrator Water Technologies Baltimore, L.L.C.
- 129. Wheelabrator Water Technologies, Inc.
- 130. Synagro Drilling Solutions, LLC
- 131. Drilling Solutions, LLC
- 132. Synagro of Wisconsin, Inc.
- 133. Whiteford Construction Company, Inc.

ALL OTHER TERMS, CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

IN REM

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECTION INSURANCE COVERAGE PACKAGE (EPIC PAC)

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

We agree that any action *in rem* against any vessel that is owned, operated, rented, loaned or chartered by or for the insured shall in all respects be treated in the same manner as though the action were *in personam* against the insured.

ALL OTHER TERMS, CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

May 2, 2013
Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNDERGROUND STORAGE TANK SCHEDULE

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECTION INSURANCE COVERAGE PACKAGE (EPIC PAC)

It is hereby agreed that the policy to which this endorsement is attached is amended as follows:

SECTION V – DEFINITIONS, Definition **20. Insured Site** is amended to include the **Underground Storage Tank(s)** Scheduled below subject to the applicable retroactive date.

UNDERGROUND STORAGE TANK SCHEDULE

<u>INSURED SITE</u>	<u># TANKS</u>	<u>CAPACITY</u>	<u>TANK CONTENTS</u>	<u>RETROACTIVE DATE</u>
Philadelphia BRC Facility 7800 Penrose Ferry Road Philadelphia, PA 19153	3 (All Concrete)	1,200,000 Gallons Each	Liquid Sludge	10/10/2008
New Haven 345 East Shore Parkway New Haven, CT 06512	1 (All Concrete)	12,600 Gallons	Polymer	11/1/2002
Woonsocket 15 Cumberland Hill Road Woonsocket, RI 02865	2 (All Concrete)	10,00 Gallons Each	Polymer	11/1/2002

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULED WATERCRAFT

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECTION INSURANCE COVERAGE PACKAGE (EPIC PAC)

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

SCHEDULE:

Watercraft Make & Model	Watercraft Length	Watercraft Use
VMI MD-615	12 feet	
1993 Equipment Hydr Dredge, 177-8		
Equipment Dredge 3010	17 feet	
1992 Pit-Hog 7 Mau Dredge	35 feet	
Equipment Pit Hog Dredge		
2000 VMI Mini-Dredge, MD-615	35 feet	
IMS Dredge		
Mud Cat SP810		
IMS Dredge		
UK Mudcat Dredge, SP-915	24 feet	
Misc Minisplat Sys Dredge		
IMS 5012LP		

1. **SECTION I – COVERAGES, COVERAGE PART I, Coverage A**, Paragraph 2., Exclusion a. **Aircraft, Auto or Watercraft** is amended to include the following:

This exclusion does not apply to watercraft identified in the Schedule of this endorsement that are owned, used by or rented to any insured.

2. **SECTION II – WHO IS AN INSURED** is amended to include any person or organization legally responsible for the use of watercraft scheduled below provided the use is with your permission:

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROFESSIONAL SERVICES EXCLUSION – COVERAGE PART I

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECTION INSURANCE COVERAGE PACKAGE (EPIC PAC)

It is hereby agreed that the policy to which this endorsement is attached is amended as follows:

SECTION I – COVERAGES, COVERAGE PART I – Common Exclusions is amended to include the following:

Professional Services

Bodily injury, property damage or environmental damage arising out of the rendering or failure to render any **professional services**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECTION INSURANCE COVERAGE PACKAGE (EPIC) COVERAGE FORM

It is hereby agreed that the policy to which this endorsement is attached is amended as follows:

- A. The following Minimum Earned Premium applies: **25%**

- B. **SECTION IV – CONDITIONS, Condition 3. Cancellation, Paragraph 3.e.** is deleted in its entirety and replaced with the following:
 - e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata and is subject to application of the minimum earned premium indicated above. The cancellation will be effective even if we have not made or offered a refund.

ALL OTHER TERMS, CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

May 2, 2013
Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**SPECIFIED ADDITIONAL INSURED(S)
PRIMARY AND NON-CONTRIBUTORY**

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECTION INSURANCE COVERAGE PACKAGE (EPIC PAC)

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

SCHEDULE

Name of Additional Insured Person(s) Or Organization(s)
Hoffman La Roche City of Houston/Admin & Reg Affairs Department Strategic Purchasing Division Illinois Central Railroad Company

A. SECTION II – WHO IS AN INSURED, Paragraph 4.e. is amended to specify the entity indicated in the Schedule above as:

e. Any person or organization with whom you agree to include as an insured in a written contract, written agreement or permit, but only with respect to **bodily injury, property damage, environmental damage or personal and advertising injury** arising out of your operations, **your work**, equipment or premises leased or rented by you, or **your products** which are distributed or sold in the regular course of a vendor’s business, however:

(1) A vendor is not an insured as respects **bodily injury, property damage, environmental damage or personal and advertising injury:**

- (a)** For which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement except that which the vendor would have in the absence of the contract or agreement;
- (b)** Arising out of any express warranty unauthorized by you;
- (c)** Arising out of any physical or chemical change in the product made intentionally by the vendor;
- (d)** Arising out of repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from you, and then repackaged in the original container;
- (e)** Arising out of any failure to make inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution



or sale of the products;

- (f) Arising out of demonstration, installation servicing or repair operations, except such operations performed at the vendor's location in connection with the sale of the product; or
- (g) Arising out of products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.

(2) A manager or lessor of premises, a lessor of leased equipment, or a mortgagee, assignee, or receiver is not an insured as respects **bodily injury, property damage, environmental damage or personal and advertising injury:**

- (1) Arising out of any **occurrence** that takes place after the equipment lease expires or you cease to be a tenant; or
- (2) Arising out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor of premises, or mortgagee, assignee, or receiver.

B. SECTION IV – CONDITIONS, Condition 17. Other Insurance, Paragraph **a.** is amended to specify the entity indicated in the Schedule above as a person or organization with whom you agreed to insure and we will not seek contributions from any such other insurance issued to such person or organization:

ALL OTHER TERMS, CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**SPECIFIED ENTITY -
WAIVER OF RIGHTS OF RECOVERY**

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECTION INSURANCE COVERAGE PACKAGE (EPIC PAC)

SCHEDULE

Designated Person(s) Or Organization(s)
City of Houston/Admin & Reg Affairs Department Strategic Purchasing Division Illinois Central Railroad Company

SECTION IV – CONDITIONS, Paragraph 22. Transfer of Rights of Recovery Against Others to Us, is amended to include the following as respects the designated person(s) or organization(s) indicated in the Schedule above:

In the event of any payment under this policy, we waive our right of recovery against the person(s) or organization(s) indicated in the Schedule above and with whom the insured has waived its right of recovery.

ALL OTHER TERMS, CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Authorized Representative

May 2, 2013
Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUIT DEFINITION AMENDMENT

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECTIVE INSURANCE COVERAGE PACKAGE (EPIC PAC)

SECTION V – DEFINITIONS, Definition **42. Suit** is deleted and replaced with the following:

42. Suit means a civil proceeding in which damages to which this insurance applies are alleged. **Suit** includes an arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent or any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in blue ink, appearing to be 'S.M.C.', is written over a horizontal line.

Authorized Representative

May 2, 2013

Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIOR PROFESSIONAL INCIDENT EXCLUSION AMENDMENT

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECTIVE INSURANCE COVERAGE PACKAGE (EPIC PAC)

SECTION I – COVERAGES, COVERAGE PART IV – PROFESSIONAL LIABILITY, Paragraph 1. Exclusions, Exclusion t. Prior Professional Incident is deleted and replaced with the following:

43. Prior Professional Incident

Arising from any **professional incident** known to a **responsible executive** prior to the effective date of the **policy period** if such **responsible executive** knew or could have reasonably foreseen that such **professional incident** could give rise to damages, **claims, or suits** under this policy.

This exclusion does not apply if we have been notified, in writing of such **professional incident** giving rise to such damages, **claims, or suits** during the policy period of a policy previously issued by us.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in blue ink, appearing to be "S.H.R.", is written over a horizontal line.

May 2, 2013

Date: 07/02/2012

Policy Number: 341-41-29

Underwriter Name: BIENVENIDO TINEO
Underwriter Region: 0075
Underwriter Branch: 0075
Underwriter Telephone: 908-679-3625

Operator Name: KURT KALATA
Operator Telephone: 908-679-3999

Issuing Division: 0073
Policy Effective Date: 07/01/2012
Transaction Type: REN

Set Copy Name: ELECTRONIC COPY

EPS TRACKING-ID: UUF73902400107022012
POLICY NUMBER: 043414129
TABLE EFFECTIVE DATE: 06/22/2012
TABLE WRITTEN DATE: 06/22/2012

BIENVENIDO TINEO
BERKELEY HEIGHTS
100 CONNELL DRIVE
SUITE 2100
BERKELEY HEIGHTS, NJ 07922

Re: CITY OF HOLLAND, MICHIGAN

PRODUCER IS: #0052449

THE ADDIS GROUP, LLC
2500 RENAISSANCE BLVD
STE 100
KING OF PRUSSIA, PA 19406-2772

341-41-29

PRODUCER COV LTR

POLICYHOLDER NOTICE

Thank you for purchasing insurance from the Chartis companies. Chartis insurance companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis insurance companies to brokers and independent agents in the United States by visiting our website at www.chartisinsurance.com/producercompensation or by calling 1-800-706-3102.

Policy No. GL 341-41-29
Renewal of No. 3414129

CG DS 02 07 98



Coverage is provided by
COMMERCE AND INDUSTRY INSURANCE COMPANY
(a capital stock company)

175 Water Street, New York, NY 10038
(212) 458-5000

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY DECLARATIONS

NAMED INSURED & MAILING ADDRESS
CITY OF HOLLAND, MICHIGAN
625 HASTINGS AVE
HOLLAND, MI 49423

PRODUCER'S NAME & MAILING ADDRESS
THE ADDIS GROUP, LLC
2500 RENAISSANCE BLVD
STE 100
KING OF PRUSSIA, PA 19406-2772

POLICY PERIOD: From 07/01/2012 to 07/01/2013 at 12:01 A.M. Standard Time at your mailing address shown above.

FORM OF BUSINESS:

CORPORATION PARTNERSHIP LIMITED LIABILITY COMPANY INDIVIDUAL OTHER MUNICIPALITY

BUSINESS DESCRIPTION: PER APPLICATION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

POLICY PREMIUM:* \$4,000
PREMIUM SHOWN IS PAYABLE: \$4,000 at inception.

*This policy may be subject to final audit.

Premium for Certified Acts of Terrorism Coverage Under Terrorism Risk Insurance Act 2002 as amended by the Terrorism Risk Insurance Program Reauthorization Act 2007:
Not Applicable, Coverage Rejected By Insured

SCHEDULE OF STATE TAXES, FEES AND SURCHARGES, IF APPLICABLE:**

**State Taxes, Fees and Surcharges shown are in addition to the above referenced Policy Premium.

ENDORSEMENTS ATTACHED TO THIS POLICY: SEE ATTACHED FORMS SCHEDULE

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORMS, AND ENDORSEMENTS IF ANY ISSUED TO FORM A PART THEREOF COMPLETE THE ABOVE NUMBERED POLICY.

Date Issued: 07/02/2012

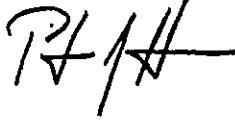
DESIGNATION OF CONTRACTOR
Designation of Contractor and Mailing Address SYNAGRO CENTRAL LLC 1800 BERING DRIVE STE 100 HOUSTON, TX 77057
LOCATION OF COVERED OPERATIONS
HOLLAND, MI

LIMITS OF INSURANCE	
EACH OCCURRENCE LIMIT	\$2,000,000
GENERAL AGGREGATE LIMIT	\$2,000,000

CLASSIFICATION AND PREMIUM				
CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE PER 1,000 OF COST	ADVANCE PREMIUM
LOC:0001 ADDRESS SLOC:001 625 HASTINGS AVE TERR: 999 HOLLAND,MI 49423 CONSTRUCTION OPERATIONS-CONTRACTORS (NOT RAILROADS)-EXCLUDING OPERATIONS ON BOARD SHIPS	16291	N/A	FLAT	\$4,000
				Total: \$4,000

C = TOTAL COST
 T = OTHER
 U = UNITS (EACH)

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative.

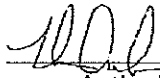


President
COMMERCE AND INDUSTRY INSURANCE COMPANY



Secretary
COMMERCE AND INDUSTRY INSURANCE COMPANY

This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.



Authorized Representative

FORMS SCHEDULE

EFFECTIVE DATE: 07/01/2012

NAMED INSURED: CITY OF HOLLAND, MICHIGAN

POLICY NO: GL 341-41-29

CG0009 (1207) OCP LIABILITY COV FORM
CG2809 (1001) PERSONAL INJURY LIABILITY
CG2838 (1092) MICHIGAN CHANGES
ILO021 (0908) NUCLEAR ENERGY LIAB EXCL (BROAD FORM)
89644 (0705) AMENDATORY ENDT- COVERAGE TERR
96557 (0208) TERRORISM EXCL - CERTIFIED ACTS

Michigan Policyholder Notice

Any portion of this policy that applies in the State of Michigan is exempt from the filing requirements of section 2236 of the insurance code of 1956, 1956 PA 218, MCL 500.2236.

POLICY NUMBER: GL 341-41-29

COMMERCIAL GENERAL LIABILITY
CG 00 09 12 07

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM - COVERAGE FOR OPERATIONS OF DESIGNATED CONTRACTOR

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGES

BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" and arises out of:

- (a) Operations performed for you by the "contractor" at the location specified in the Declarations; or

- (b) Your acts or omissions in connection with the general supervision of such operations;

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. 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. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Work Completed Or Put To Intended Use

"Bodily injury" or "property damage" which occurs after the earlier of the following times:

- (1) When all "work" on the project (other than service, maintenance or repairs) to be performed for you by the "contractor" at the site of the covered operations has been completed; or
- (2) When that portion of the "contractor's" "work", out of which the injury or damage arises, has been put to its intended use by any person or organization, other than another contractor or subcontractor working directly or indirectly for the "contractor" or as part of the same project.

d. Acts Or Omissions By You And Your Employees

"Bodily injury" or "property damage" arising

out of your, or your "employees", acts or omissions other than general supervision of "work" performed for you by the "contractor".

e. Workers' Compensation And Similar Laws

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

f. 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 whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

g. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Property loaned to you;
- (3) Personal property in the care, custody or control of the insured; or
- (4) "Work" performed for you by the "contractor".

h. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

i. Mobile Equipment

"Bodily injury" or "property damage" arising out of the use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

j. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equip-

ment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by or on behalf of any insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

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

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

k. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "work" performed for you by the "contractor"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "work" performed for you by the "contractor".

l. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

SUPPLEMENTARY PAYMENTS

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this insurance applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- h. Expenses incurred by the insured for first aid administered to others at the time of an accident, for "bodily injury" to which this insurance applies.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses in-

curred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverages - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to their duties as partners or members of a joint venture.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to their duties as members of a limited liability company. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
 - a. Any person (other than your "employee") or any organization while acting as your real estate manager.
 - b. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Dec-

larations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of damages because of all "bodily injury" and "property damage".
3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for the sum of damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".

If you designate more than one project in the Declarations, the Aggregate Limit shall apply separately to each project.

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

SECTION IV - CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
2. Cancellation
 - a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
 - b. We may cancel this policy by mailing or delivering to the first Named Insured and the "contractor" written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - c. We will mail or deliver our notices to the first Named Insured's and the "contractor's" last mailing address known to us.
 - d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
 - e. If this policy is cancelled, we will send the

"contractor" any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. Changes

This policy contains all the agreements between you, the "contractor" and us concerning the insurance afforded. The first Named Insured shown in the Declarations and the "contractor" are authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

4. Duties In The Event Of Occurrence, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence".

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other

than for first aid, without our consent.

5. Examination Of Your Books And Records

We may examine and audit your books and records as well as the "contractor's" books and records as they relate to this policy at any time during the policy period and up to three years afterward.

6. Inspections And Surveys

- a. We have the right to:

- (1) Make inspections and surveys at any time;
- (2) Give you reports on the conditions we find; and
- (3) Recommend changes.

- b. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

- c. Paragraphs a. and b. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

- d. Paragraph b. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

7. Legal Action Against Us

No person or organization has a right under this Coverage Part:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

8. Other Insurance

The insurance afforded by this Coverage Part is

primary insurance and we will not seek contribution from any other insurance available to you unless the other insurance is provided by a contractor other than the designated "contractor" for the same operation and job location designated in the Declarations. Then we will share with that other insurance by the method described below.

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

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

9. Premiums

The "contractor":

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

10. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the "contractor". The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the "contractor".
- c. The "contractor" must keep records of the information we need for premium computation, and send us copies at such times as we may request.

11. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

12. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part those rights are transferred to us.

The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

13. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Contractor" means the contractor designated in the Declarations.
4. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
5. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
6. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
7. "Impaired property" means tangible property, other than work performed for you, that cannot be used or is less useful because:
 - a. It incorporates work performed for you that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of the work performed for you or your fulfilling the terms of the contract or agreement.
8. "Insured contract" means:
 - a. A lease of premises;
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demoli-

tion operations on or within 50 feet of a railroad;

- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality; or
 - e. An elevator maintenance agreement.
9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
10. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators,

including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- 11. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 12. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 13. "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from, computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- 14. "Suit" means a civil proceeding, brought in the United States of America (including its territories and possessions), Puerto Rico or Canada, in which damages because of "bodily injury" or "property damage" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 15. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 16. "Work" includes materials, parts or equipment furnished in connection with the operations.

POLICY NUMBER: GL 341-41-29

COMMERCIAL GENERAL LIABILITY
CG 28 09 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES - PERSONAL INJURY LIABILITY

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

- A. The heading for **Section I - Coverages - Bodily Injury And Property Damage Liability** is revised as follows:

SECTION I - COVERAGES**COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

- B. The following exclusion is added to Paragraph 2. of **Section I - Coverage A - Bodily Injury And Property Damage Liability**:

2. Exclusions

This insurance does not apply to:

PERSONAL INJURY

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

- C. The following is added to **Section I - Coverages**:

COVERAGE B - PERSONAL INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **Section III - Limits Of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments, or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments**.

- b. This insurance applies to "personal injury" caused by an offense arising out of operations performed for you by the "contractor" at the location specified in the **Declarations**, but only if the offense was committed during the policy period.

2. Exclusions

This insurance does not apply to:

a. **Knowing Violation Of Rights Of Another**

"Personal injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury";

b. **Criminal Acts**

"Personal injury" arising out of a criminal act committed by or at the direction of the insured;

c. **Contractual Liability**

"Personal injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement; or

d. **Pollution**

"Personal injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

e. **Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", or

- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".
- D. The paragraph relating to prejudgment interest in **Section I - Supplementary Payments** is replaced by the following:
 Prejudgment interest awarded against the insured on that part of the judgment we pay.
- E. Paragraphs 2. and 3. of **Section III - Limits Of Insurance** are replaced by the following:
 - 2. The Aggregate Limit is the most we will pay for the sum of damages because of all "bodily injury", "property damage" and "personal injury".
 - 3. Subject to 2. above, the Each Occurrence Limit is the most we will pay for the sum of damages because of all "bodily injury" and "property damage" arising out of any one "occurrence" and all "personal injury" sustained by any one person or organization.
- F. Paragraph 4., of the **Duties In The Event Of Occurrence, Claim Or Suit** under **Section IV - Conditions** is replaced by the following:
 - 4. **Duties In The Event Of Occurrence, Offense, Claim Or Suit**
 - a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
 - b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 - c. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

- d. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which the insurance may also apply.
- e. Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.
- f. No insured will, except at the insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- G. Paragraphs a., c., d. and e. of **Cancellation** under **Section IV - Conditions** are replaced by the following:
 - 2. **Cancellation**
 - a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us or our authorized agent advance notice of cancellation.
 - c. We will mail or deliver our notices to the first Named Insured's and the "contractor's" last mailing addresses known to us or our authorized agent.
 - d. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period.
 - e. If this policy is cancelled, we will send the "contractor" any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

H. Paragraph 13. When We Do Not Renew under Section IV - Conditions is replaced by the following:

13. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing shall be sufficient proof of notice.

I. The definition of "suit" in Section V - Definitions is replaced by the following:

18. "Suit" means a civil proceeding, brought in the United States of America (including its territories and possessions), Puerto Rico or Canada, in which damages because of "bodily injury", "property damage" or "personal injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

J. The following is added to Section V - Definitions:

"Personal injury" means injury, including consequential "bodily injury", arising out of the offenses of false arrest, detention or imprisonment.

POLICY NUMBER: GL 341-41-29

COMMERCIAL GENERAL LIABILITY
CG 28 38 10 92

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

- A. Paragraphs a., c., d., and e. of the CANCELLATION Condition (Section IV) are replaced by the following:
- The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us or our authorized agent advance notice of cancellation.
 - We will mail or deliver our notices to the first Named Insured's and the "contractor's" last mailing addresses known to us or our authorized agent.
 - The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period.
 - If this policy is cancelled, we will send the "contractor" any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
- B. The paragraph relating to prejudgment interest in SUPPLEMENTARY PAYMENTS (Section I) is replaced by the following:
Prejudgment interest awarded against the insured on that part of the judgment we pay.
- C. With respect to Condition 4. DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT (Section IV):
- Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
 - The last sentence of paragraph 4.b. is deleted.
 - The reference to paragraph d. is amended to read paragraph e.
 - The following is added:
 - Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.
- D. The WHEN WE DO NOT RENEW Condition (Section IV) is replaced by the following:
When We Do Not Renew
If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before the expiration date.
If notice is mailed, proof of mailing shall be sufficient proof of notice.

POLICY NUMBER: GL 341-41-29

IL 00 21 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear 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.

2. As used in this endorsement:

"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 any "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 such material in the

custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

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

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

ENDORSEMENT

This endorsement, effective 12:01 A.M. 07/01/2012 forms a part of

policy No. GL 341-41-29 issued to CITY OF HOLLAND, MICHIGAN

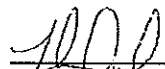
by COMMERCE AND INDUSTRY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT - COVERAGE TERRITORY

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



Authorized Representative or
Countersignature (in States Where
Applicable)

ENDORSEMENT

This endorsement, effective 12:01 A.M. 07/01/2012 forms a part of

policy No. GL 341-41-29 issued to CITY OF HOLLAND, MICHIGAN

by COMMERCE AND INDUSTRY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION - CERTIFIED ACTS


This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of an "act of terrorism", which is defined in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (collectively, "TRIA") as follows:

- (1) ACT OF TERRORISM. -
 - (A) CERTIFICATION. - The term "act of terrorism" means any act that is certified by the Secretary [of the Treasury], in concurrence with the Secretary of State, and the Attorney General of the United States -
 - (i) to be an act of terrorism;
 - (ii) to be a violent act or an act that is dangerous to
 - (I) human life;
 - (II) property; or
 - (III) infrastructure;
 - (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
 - (I) an air carrier or vessel [described in TRIA]; or
 - (II) the premises of a United States mission; and
 - (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
 - (B) LIMITATION. - No act shall be certified by the Secretary as an act of terrorism if
 - (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
 - (C) DETERMINATIONS FINAL. - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
 - (D) NONDELEGATION. - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

The following applies solely to commercial property policies:

Where required by state law, if an act of terrorism results in fire, the Insurer will pay for the direct loss or damage to Covered Property, as this term is defined in the commercial property policy, caused by that fire.

All other terms and conditions of the policy are the same.



Authorized Representative or
Countersignature (in States Where
Applicable)

Date: 07/02/2012

Policy Number: 341-41-91

Underwriter Name: BIENVENIDO TINEO
Underwriter Region: 0075
Underwriter Branch: 0075
Underwriter Telephone: 908-679-3625

Operator Name: KURT KALATA
Operator Telephone: 908-679-3999

Issuing Division: 0073
Policy Effective Date: 07/21/2012
Transaction Type: REN

Set Copy Name: ELECTRONIC COPY

EPS TRACKING-ID: UUF90022900107022012
POLICY NUMBER: 013414191
TABLE EFFECTIVE DATE: 06/22/2012
TABLE WRITTEN DATE: 06/22/2012

BIENVENIDO TINEO
BERKELEY HEIGHTS
100 CONNELL DRIVE
SUITE 2100
BERKELEY HEIGHTS, NJ 07922

Re: CITY OF WARREN, PENNSYLVANIA

PRODUCER IS: #0052449

THE ADDIS GROUP, LLC
2500 RENAISSANCE BLVD
STE 100
KING OF PRUSSIA, PA 19406-2772

341-41-91

PRODUCER COV LTR

POLICYHOLDER NOTICE

Thank you for purchasing insurance from the Chartis companies. Chartis insurance companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis insurance companies to brokers and independent agents in the United States by visiting our website at www.chartisinsurance.com/producercompensation or by calling 1-800-706-3102.

Policy No. GL 341-41-91
Renewal of No. 3414191

CG DS 02 07 98



Coverage is provided by
COMMERCE AND INDUSTRY INSURANCE COMPANY
(a capital stock company)

175 Water Street, New York, NY 10038
(212) 458-5000

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY DECLARATIONS

NAMED INSURED & MAILING ADDRESS
CITY OF WARREN, PENNSYLVANIA
318 WEST 3RD AVE
WARREN, PA 16365

PRODUCER'S NAME & MAILING ADDRESS
THE ADDIS GROUP, LLC
2500 RENAISSANCE BLVD
STE 100
KING OF PRUSSIA, PA 19406-2772

POLICY PERIOD: From 07/21/2012 to 07/21/2013 at 12:01 A.M. Standard Time at your mailing address shown above.

FORM OF BUSINESS:

CORPORATION PARTNERSHIP LIMITED LIABILITY COMPANY INDIVIDUAL OTHER MUNICIPALITY

BUSINESS DESCRIPTION: DEWATERING & LANDFIL

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

POLICY PREMIUM:* \$2,200
PREMIUM SHOWN IS PAYABLE: \$2,200 at inception.

*This policy may be subject to final audit.

Premium for Certified Acts of Terrorism Coverage Under Terrorism Risk Insurance Act 2002 as amended by the Terrorism Risk Insurance Program Reauthorization Act 2007:
Not Applicable, Coverage Rejected By Insured

SCHEDULE OF STATE TAXES, FEES AND SURCHARGES, IF APPLICABLE:**

**State Taxes, Fees and Surcharges shown are in addition to the above referenced Policy Premium.

ENDORSEMENTS ATTACHED TO THIS POLICY: SEE ATTACHED FORMS SCHEDULE

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORMS, AND ENDORSEMENTS IF ANY ISSUED TO FORM A PART THEREOF COMPLETE THE ABOVE NUMBERED POLICY.

Date issued: 07/02/2012

DESIGNATION OF CONTRACTOR

Designation of Contractor and Mailing Address
 SYNAGRO CENTRAL LLC
 1800 BERING DRIVE STE 1000
 HOUSTON, TX 77057

LOCATION OF COVERED OPERATIONS

318 WEST THIRD AVENUE, WARREN, PA 16365

LIMITS OF INSURANCE

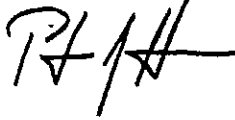
EACH OCCURRENCE LIMIT \$1,000,000
 GENERAL AGGREGATE LIMIT \$2,000,000

CLASSIFICATION AND PREMIUM

CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE PER 1,000 OF COST	ADVANCE PREMIUM
LOC:0001 ADDRESS SLOC:001 318 W 3RD AVE DEPT 4 TERR: 999 WARREN,PA 16365 CONSTRUCTION OPERATIONS-CONTRACTORS (NOT RAILROADS)-EXCLUDING OPERATIONS ON BOARD SHIPS	16291	N/A	FLAT	\$2,200
				Total: \$2,200

C = TOTAL COST
 T = OTHER
 U = UNITS (EACH)

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative.



President
COMMERCE AND INDUSTRY INSURANCE COMPANY



Secretary
COMMERCE AND INDUSTRY INSURANCE COMPANY

This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.



Authorized Representative

FORMS SCHEDULE

EFFECTIVE DATE: 07/21/2012

NAMED INSURED: CITY OF WARREN, PENNSYLVANIA

POLICY NO: GL 341-41-91

CG0008 (1207) OCP LIABILITY COV FORM
CG2849 (0996) PA CHANGES-CANC/NONRENEW
CG2976 (1105) PA CHANGES-PESTICIDE APPL
ILO021 (0908) NUCLEAR ENERGY LIAB EXCL (BROAD FORM)
ILO120 (0511) PA CHANGES - DEFENSE COSTS
ILO910 (0702) PENNSYLVANIA NOTICE
89644 (0705) AMENDATORY ENDT- COVERAGE TERR
98557 (0208) TERRORISM EXCL - CERTIFIED ACTS

POLICY NUMBER: GL 341-41-91

COMMERCIAL GENERAL LIABILITY
CG 00 09 12 07

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM - COVERAGE FOR OPERATIONS OF DESIGNATED CONTRACTOR

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGES

BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" and arises out of:
 - (a) Operations performed for you by the "contractor" at the location specified in the Declarations; or

- (b) Your acts or omissions in connection with the general supervision of such operations;

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. 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. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Work Completed Or Put To Intended Use

"Bodily injury" or "property damage" which occurs after the earlier of the following times:

- (1) When all "work" on the project (other than service, maintenance or repairs) to be performed for you by the "contractor" at the site of the covered operations has been completed; or
- (2) When that portion of the "contractor's" "work", out of which the injury or damage arises, has been put to its intended use by any person or organization, other than another contractor or subcontractor working directly or indirectly for the "contractor" or as part of the same project.

d. Acts Or Omissions By You And Your Employees

"Bodily injury" or "property damage" arising

out of your, or your "employees", acts or omissions other than general supervision of "work" performed for you by the "contractor".

e. Workers' Compensation And Similar Laws

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

f. 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 whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

g. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Property loaned to you;
- (3) Personal property in the care, custody or control of the insured; or
- (4) "Work" performed for you by the "contractor".

h. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

i. Mobile Equipment

"Bodily injury" or "property damage" arising out of the use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

j. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equip-

ment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by or on behalf of any insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

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

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

k. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "work" performed for you by the "contractor"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "work" performed for you by the "contractor".

l. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

SUPPLEMENTARY PAYMENTS

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this insurance applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

h. Expenses incurred by the insured for first aid administered to others at the time of an accident, for "bodily injury" to which this insurance applies.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses in-

curring by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverages - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to their duties as partners or members of a joint venture.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to their duties as members of a limited liability company. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
 - a. Any person (other than your "employee") or any organization while acting as your real estate manager.
 - b. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Dec-

larations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of damages because of all "bodily injury" and "property damage".
3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for the sum of damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".

If you designate more than one project in the Declarations, the Aggregate Limit shall apply separately to each project.

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

SECTION IV - CONDITIONS

1. **Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
2. **Cancellation**
 - a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
 - b. We may cancel this policy by mailing or delivering to the first Named Insured and the "contractor" written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - c. We will mail or deliver our notices to the first Named Insured's and the "contractor's" last mailing address known to us.
 - d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
 - e. If this policy is cancelled, we will send the

"contractor" any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. Changes

This policy contains all the agreements between you, the "contractor" and us concerning the insurance afforded. The first Named Insured shown in the Declarations and the "contractor" are authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

4. Duties In The Event Of Occurrence, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence".

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other

than for first aid, without our consent.

5. Examination Of Your Books And Records

We may examine and audit your books and records as well as the "contractor's" books and records as they relate to this policy at any time during the policy period and up to three years afterward.

6. Inspections And Surveys

- a. We have the right to:

- (1) Make inspections and surveys at any time;
- (2) Give you reports on the conditions we find; and
- (3) Recommend changes.

- b. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

- c. Paragraphs a. and b. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

- d. Paragraph b. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

7. Legal Action Against Us

No person or organization has a right under this Coverage Part:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

8. Other Insurance

The insurance afforded by this Coverage Part is

primary insurance and we will not seek contribution from any other insurance available to you unless the other insurance is provided by a contractor other than the designated "contractor" for the same operation and job location designated in the Declarations. Then we will share with that other insurance by the method described below.

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

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

9. Premiums

The "contractor":

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

10. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the "contractor". The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the "contractor".
- c. The "contractor" must keep records of the information we need for premium computation, and send us copies at such times as we may request.

11. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

12. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part those rights are transferred to us.

The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

13. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Contractor" means the contractor designated in the Declarations.
4. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
5. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
6. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
7. "Impaired property" means tangible property, other than work performed for you, that cannot be used or is less useful because:
 - a. It incorporates work performed for you that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of the work performed for you or your fulfilling the terms of the contract or agreement.
8. "Insured contract" means:
 - a. A lease of premises;
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demoli-

tion operations on or within 50 feet of a railroad;

- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality; or
 - e. An elevator maintenance agreement.
9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
10. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators,

including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- 11. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 12. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 13. "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from, computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- 14. "Suit" means a civil proceeding, brought in the United States of America (including its territories and possessions), Puerto Rico or Canada, in which damages because of "bodily injury" or "property damage" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 15. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 16. "Work" includes materials, parts or equipment furnished in connection with the operations.

POLICY NUMBER: GL 341-41-91

COMMERCIAL GENERAL LIABILITY
CG 28 49 09 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

A. The Cancellation Condition is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.

2. Cancellation Of Policies In Effect For Less Than 60 Days

We may cancel this policy by mailing or delivering to the first Named Insured and the "contractor" written notice of cancellation at least 30 days before the effective date of cancellation.

3. Cancellation Of Policies In Effect For 60 Days Or More

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

a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.

b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.

c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by us.

4. We will mail or deliver our notice to the first Named Insured and the "contractor's" last mailing addresses known to us. Notice of cancellation will state the specific reasons for cancellation.

5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

6. If this policy is cancelled, we will send the "contractor" any premium refund due. If we cancel, the refund will be pro rata and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.

GL 341-41-91

7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.
- B. The following are added and supersede any provisions to the contrary:

1. Nonrenewal

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured and the "contractor" at least 60 days before the expiration date of the policy.

2. Increase Of Premium

If we increase your renewal premium, we will mail or deliver to the first Named Insured and the "contractor" written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured and the "contractor's" mailing addresses last known to us. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

POLICY NUMBER: GL 341-41-91

COMMERCIAL GENERAL LIABILITY
CG 29 76 11 05

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - PESTICIDE APPLICATOR COVERAGE

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

With respect to the use of pesticides, Paragraph (1)(d) of Exclusion j. of Section I - Coverages does not apply if:

1. The "contractor" is certified, or the "contractor's" "employees" performing operations are certified or registered by a federal or state agency to use pesticides.
2. The "contractor's" noncertified or nonregistered "employees" are performing operations under the instruction and control of a certified applicator who is physically present at any premises, site or location at which such

operations are being performed.

The term pesticide, as defined in the Pennsylvania Pesticide Control Act of 1973, means any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, and any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

POLICY NUMBER: GL 341-41-91

IL 00 21 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear 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.

2. As used in this endorsement:

"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 any "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 such material in the

custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

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

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

POLICY NUMBER: GL 341-41-91

IL 01 20 05 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - DEFENSE COSTS

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART - LEGAL LIABILITY COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART - MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM
ELECTRONIC DATA LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK COVERAGE PART

A. The provisions of Paragraph B. are added to all Insuring Agreements that set forth a duty to defend under:

1. Section I of the Commercial General Liability, Commercial Liability Umbrella, Electronic Data Liability, Employment-Related Practices Liability, Farm, Liquor Liability, Medical Professional Liability, Owners And Contractors Protective Liability, Pollution Liability, Product Withdrawal, Products/Completed Operations Liability, Railroad Protective Liability and Underground Storage Tank Coverage Parts and the Farm Umbrella Liability Policy;
2. Section II - Liability Coverage in Paragraph A. Coverage under the Business Auto, Garage and Motor Carrier Coverage Forms;
3. Section A - Coverage under the Legal Liability Coverage Form; and

4. Coverage C - Mortgageholder's Liability under the Mortgageholder's Errors And Omissions Coverage Form.

Paragraph B. also applies to any other provision in the policy that sets forth a duty to defend.

B. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that none of the claims ("claims"), for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

POLICY NUMBER: GL 341-41-91

IL 09 10 07 02

PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. To consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 07/21/2012 forms a part of

policy No. GL 341-41-91 issued to CITY OF WARREN, PENNSYLVANIA

by COMMERCE AND INDUSTRY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT - COVERAGE TERRITORY

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



Authorized Representative or
Countersignature (in States Where
Applicable)

ENDORSEMENT

This endorsement, effective 12:01 A.M. 07/21/2012 forms a part of

policy No. GL 341-41-91 issued to CITY OF WARREN, PENNSYLVANIA

by COMMERCE AND INDUSTRY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION - CERTIFIED ACTS


This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of an "act of terrorism", which is defined in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (collectively, "TRIA") as follows:

- (1) ACT OF TERRORISM. -
 - (A) CERTIFICATION. - The term "act of terrorism" means any act that is certified by the Secretary [of the Treasury], in concurrence with the Secretary of State, and the Attorney General of the United States -
 - (i) to be an act of terrorism;
 - (ii) to be a violent act or an act that is dangerous to-
 - (I) human life;
 - (II) property; or
 - (III) infrastructure;
 - (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
 - (I) an air carrier or vessel [described in TRIA]; or
 - (II) the premises of a United States mission; and
 - (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
 - (B) LIMITATION. - No act shall be certified by the Secretary as an act of terrorism if
 - (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
 - (C) DETERMINATIONS FINAL. - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
 - (D) NONDELEGATION. - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

The following applies solely to commercial property policies:

Where required by state law, if an act of terrorism results in fire, the Insurer will pay for the direct loss or damage to Covered Property, as this term is defined in the commercial property policy, caused by that fire.

All other terms and conditions of the policy are the same.



Authorized Representative or
Countersignature (in States Where
Applicable)



**Bureau of Workers'
Compensation**

30 W. Spring St.
Columbus, OH 43215

Certificate of Premium Payment

This certifies the employer listed below has paid into the Ohio State Insurance Fund as required by law. Therefore, the employer is entitled to the rights and benefits of the fund for the period specified. For more information, call 1-800-OHIOBWC.

This certificate must be conspicuously posted.

Policy No. and Employer

Period Specified Below

751965

01/01/2013 Thru 08/31/2013

SYNAGRO WWT INC
1800 BERING DR STE 1000
HOUSTON, TX 77057-3169



ohiobwc.com

Stephen Bucher
Administrator/CEO

You can reproduce this certificate as needed.

Ohio Bureau of Workers' Compensation

Required Posting

Effective Oct. 13, 2004, Section 4123.54 of the Ohio Revised Code requires notice of rebuttable presumption. Rebuttable presumption means an employee may dispute or prove untrue the presumption (or belief) that alcohol or a controlled substance not prescribed by the employee's physician is the proximate cause (main reason) of the work-related injury.

The burden of proof is on the employee to prove the presence of alcohol or a controlled substance was not the proximate cause of the work-related injury. An employee who tests positive or refuses to submit to chemical testing may be disqualified for compensation and benefits under the Workers' Compensation Act.



**Bureau of Workers'
Compensation**

You must post this language with the certificate of premium payment.

DP-29 BWC-1629 7/7/08



INSURANCE BINDER for Synatech Holdings, Inc. POLICY NO. KK277

To: Keith Boyer

At: The Addis Group

Fax No.: 610-279-2639

From: Jessica McLoughlin Clayton

Date: 30 Apr 2013

Pages: 12

This binder is issued subject to all the terms and conditions of the policy regularly issued by the Company in the state or province in which the property is located. However, if there is any inconsistency or conflict with the terms and conditions of said policy, other than statutory, the terms and conditions of this binder will take precedence.

A. POLICY TERM:

01-May-2013 to 01-May-2014

B. NAMED INSURED:

Synatech Holdings, Inc., and its wholly or majority owned subsidiaries and any interest which may now exist or hereinafter be created or acquired which are owned, controlled or operated by any one or more of those named insureds.

C. POLICY LIMIT:

This company's liability will not exceed the respective Sub-Limits of Liability shown elsewhere for the coverages involved. However, in no event will the company's total Limit of Liability exceed \$450,000,000 as a result of any one occurrence, regardless of the number of perils, coverages or locations involved.

D. INSURANCE PROVIDED:

All risks of direct physical loss or damage, as defined and limited herein, on Real Property, Personal Property, Business Interruption, including the Extensions of Coverage applying at the following described locations:

As per schedule on file dated 01-May-2013.

E. SUB-LIMITS:

Unless otherwise stated below, the following sub-limits of liability will apply on a per occurrence basis for all coverages provided, and are part of, not in addition to, the above limit(s) of liability.

For Annual Aggregate sub-limits the policy year will begin at the inception date of this policy and be concurrent with the anniversary dates of this policy.

1. \$100,000,000 Earth Movement (Annual Aggregate, for all coverages provided) not to exceed:
2. \$10,000,000 Earth Movement (Annual Aggregate, for all coverages provided) for all property located in California, Hawaii, Alaska and Puerto Rico
3. \$100,000,000 Flood (Annual Aggregate, for all coverages provided) not to exceed:
4. \$10,000,000 Flood (Annual Aggregate, for all coverages provided) for locations designated by FEMA in Special Flood Hazard Areas of up to and including 500 year flooding not to exceed:
5. \$5,000,000 Flood (Annual Aggregate, for all coverages provided) for locations designated by FEMA in Special Flood Hazard Areas of up to and including 100 year flooding
6. \$53,038,350 For all coverages at Location 49. Back River Pelletizer, 8201 Eastern Avenue, Baltimore, MD, 21224



7. \$30,225,123 Extra Expense -- The Company will pay the greater of the sub-limit or 15% of the reported annual Business Interruption values

F. EXTENSIONS OF COVERAGE (EOC) SUB-LIMITS:

The following sub-limits of liability will apply on a per occurrence basis for all coverages provided, unless otherwise stated below, and are part of, not in addition to the above limit(s) of liability.

For Annual Aggregate sub-limits the policy year will begin at the inception date of this policy and be concurrent with the anniversary dates of this policy.

All Risk - Extensions of Coverage Sub-Limits:

- | | | |
|-----|--|---|
| 1. | \$1,000,000 | Fire Fighting Materials and Expenses |
| 2. | \$250,000 | Professional Fees |
| 3. | \$250,000 | Expediting Expenses |
| 4. | \$1,000,000 | Trees, Shrubs, Plants and Lawns not to exceed a limit of \$1,000 per item |
| 5. | \$250,000 | Pavements and Roadways |
| 6. | \$250,000 | Land and Water Clean Up Expense (Annual Aggregate, for all coverages provided) |
| 7. | \$250,000 | Installation Floater |
| 8. | \$5,000,000 | Newly Acquired Property |
| 9. | \$2,500,000 | Unnamed Locations Coverage |
| 10. | \$1,000,000 | Fine Arts |
| 11. | \$5,000,000 | Accounts Receivable |
| 12. | \$5,000,000 | Valuable Papers and Records |
| 13. | \$500,000 | Electronic Data Processing, Data and Media |
| 14. | Demolition and Increased Cost of Construction | |
| | Policy Limit | Item A: Undamaged Portion |
| | \$25,000,000 | Item B: Demolition |
| | \$2,500,000 | Item C: Compliance with the Law |
| | \$1,000,000 | Item D: Business Interruption |
| 15. | \$5,000,000 | Errors and Omissions |
| 16. | \$1,000,000 | Transit |
| 17. | Terrorism Coverage and the Supplemental United States Certified Act of Terrorism Endorsement | |
| | \$450,000,000 | A. United States Certified Act of Terrorism coverage |
| | \$100,000 | B. Terrorism Coverage for Locations Outside of the United States (Annual Aggregate, for all coverages provided) |
| 18. | \$5,000,000 | Fungus, Mold or Mildew |
| 19. | \$100,000 | Deferred Payment |
| 20. | \$2,500,000 | Off-Premises Service Interruption - Property Damage |
| 21. | \$100,000 | Arson or Theft Reward |
| 22. | \$100,000 | Money and Securities |
| 23. | \$100,000 | Locks and Keys |
| 24. | \$500,000 | Warehouseman Legal Liability |
| 25. | \$100,000 | Soft Costs |

Business Interruption - Extensions of Coverage Sub-Limits:

- | | | |
|----|-------------|-------------------------------------|
| A. | 90 | Days of Ordinary Payroll |
| B. | 30 | Days of Civil or Military Authority |
| C. | \$2,500,000 | Off-Premises Service Interruption |
| D. | \$1,000,000 | Supply Chain |
| E. | \$250,000 | Research and Development Expense |
| F. | \$2,500,000 | Ingress/Egress |
| G. | \$100,000 | Tax Treatment |
| H. | \$2,500,000 | Contractual Penalties |



I. 180 Days of Extended Period of Indemnity

The above Extensions of Coverage sub-limits of liability will be the maximum payable for property damage and business interruption (if applicable) resulting from such property damage, or any combination thereof.

With respect to items A. and I. the number of days is part of and not in excess to any other outstanding sub-limits of liability.

As respects the United States of America, its territories and possessions, the District of Columbia, the Commonwealth of Puerto Rico, the U. S. Virgin Islands; and Canada, Section D. Extensions of Coverage Item 9. Unnamed Locations and Section C. Additional Coverage Item 4. Property Removed from Described Locations are extended to Section D. Extension of Coverage Item 17. Terrorism with a sub-limit of liability of \$100,000 (Annual Aggregate for all coverages provided) for Property Damage and Business Interruption (if provided) combined. Also a \$100,000 Flood sub-limit of liability (if provided) (Annual Aggregate for all coverages provided) for Property Damage and Business Interruption (if provided) combined applies to Section D. Extension of Coverage Item 17. Terrorism.

Both of these sub-limits of liability applying to the Extension of Coverage Item 17. Terrorism do not apply to the Supplemental United States Certified Acts of Terrorism Endorsement.

These limits shall not include the Actual Cash Value portion of fire damage caused by Terrorism.

G. DEDUCTIBLE AMOUNT:

The following deductible amounts shall apply per occurrence for loss or damage under this policy in the respective loss categories indicated:

1. Earth Movement:

A. As respects locations in California, Hawaii, Alaska, and Puerto Rico (for all coverages provided):

For each occurrence, this company will not be liable for loss or damage to insured property unless the amount of loss or damage exceeds 5% of the combined value of property at the location where loss or damage occurs, in accordance with the valuation section of this policy and annual business interruption value as defined in the Business Interruption Endorsement attached to this policy at the time such loss or damage at the location where loss occurs, subject to a minimum deductible amount of \$100,000 per location. If coverage is provided for more than one location, this deductible percentage or minimum deductible amount will be calculated for and applied separately to each location.

B. \$100,000 As respects all other locations (per occurrence for each location for all coverages provided).

2. Flood:

A. As respects the following locations (per occurrence for each location for all coverages provided):

Zone A or V Locations including but not limited to:

- 7. Central Valley Compost Facility, 13757 Harmon Road, Dos Palos, CA, 93620
- 10. South Kern Compost Facility, 2653 Santiago Road, Taft, CA, 93268
- 18. Fort Pierce (FPUA) WRF, 403 Seaway Drive, Fort Pierce, FL, 34949
- 22. Sarasota Storage Yard, 4860 17th Street, Sarasota, FL, 34235
- 36. Broadneck Dewatering Facility Anne Arundel County, Log Inn Rd, Annapolis, MD, 21401
- 40. Cox Creek Dewatering Facility Anne Arundel County, 8833 Ft. Smallwood Rd, Curtis Bay, MD, 21226
- 42. Patuxent Dewatering Facility Anne Arundel County, Cronson Blvd., Crofton, MD, 21114
- 60. Brills Yard, 319 Avenue P, Newark, NJ, 07105
- 61. NYOFCO Pelletizer, 1108 Oakpoint Avenue, Bronx, NY, 10474



- 65. Lancaster Dewatering Facility & Shop, 818 Lawrence Street, Lancaster, OH, 43130
- 70. Philadelphia Biosolids Services, 7800 Penrose Ferry Road, Philadelphia, PA, 19153
- 71. Compost Drying Buildings 1 & 2, 7800 Penrose Ferry Road, Philadelphia, PA, 19153
- 90. Camden - Drying Facility, 1645 Ferry Avenue, Camden, NJ, 08104
- 97. Dewatering Building, 7800 Penrose Ferry Road, Philadelphia, PA, 19153-3800
- 98. Dryer Building, 7800 Penrose Ferry Road, Philadelphia, PA, 19153-3800
- 100. Sludge Tanks, 7800 Penrose Ferry Road, Philadelphia, PA, 19153-3800
- 102. Warehouse, 7800 Penrose Ferry Road, Philadelphia, PA, 19153-3800
- 104. Central Valley Compost Facility (Field Office), 13757 Harmon Road, Dos Palos, CA, 93620

- 1) \$500,000 Real Property
- 2) \$500,000 Personal Property
- 3) \$100,000 Business Interruption

B. \$250,000 As respects the following locations (per occurrence for each location for all coverages provided):

Zone B or X Shaded Locations including but not limited to:

- 8. Sacramento Pelletizer Facility, 8600 Laguna Station Road, Elk Grove, CA, 95758
- 14. Stamford Pelletizer Facility, 1 Harbor View Ave, Bldg 15, Stamford, CT, 06902
- 23. Pinellas County Pelletizer, 5900 74th Street North, St Petersburg, FL, 33709

C. \$100,000 As respects all other locations (per occurrence for each location for all coverages provided).

3. Wind and/or Hail (for all coverages provided in this policy) at the following locations as respects all loss or damage caused by or resulting from a Named Storm:

State of Hawaii, Florida and Tier 1 and 2 Counties

This company will not be liable for loss to insured property unless the amount of loss or damage exceeds 2% of the combined value of property at the location where loss or damage occurs, in accordance with the valuation section of this policy and annual business interruption value at the location where loss or damage occurs, in accordance with the Business Interruption Endorsement attached to this policy at the time such loss or damage at the location where loss occurs, subject to a minimum deductible amount of \$250,000 per occurrence.

Named storm means:

Wind and/or Hail loss associated with or occurring in conjunction with a storm or weather disturbance identified by name by the U.S. National Hurricane Center or any other meteorological authority, such as the Tokyo Typhoon Center or the Central Pacific Hurricane Center whether or not named prior to the loss.

4. Boiler and Machinery:

A. Property Damage: \$100,000

B. Business Interruption Average Daily Value:

In the event of loss or damage insured by this policy, the deductible will be determined by multiplying the one hundred percent average daily value (ADV) by 1. The ADV will be calculated by dividing the sum of the 100% actual annual Business Interruption that would have been earned had no loss or damage occurred, by the number of annual working days. This calculation will not include any reduction for: Business Interruption; fixed charges; expenses not being incurred; or in the annual number of working days because of scheduled or unscheduled shutdown(s) that occur during the period of interruption.



5. Off Premises Service Interruption Qualifying Period:

In the event of loss or damage covered by this policy, no coverage is provided unless the service interruption exceeds 24 hours beginning from the time of loss or damage covered by this policy. If the service interruption exceeds 24 hours, the loss will be calculated from the time of loss or damage covered by this policy, subject to the policy deductible.

6. Electronic Data Processing Equipment, Data and Media Deductible:

In the event of loss or damage to Electronic Data Processing (EDP) Equipment, Data and Media insured by this policy caused by the malicious introduction of a machine code or instruction, no coverage is provided unless the period of interruption exceeds 48 hours beginning from the time of insured loss. The company's liability commences only after, and does not include, the Waiting Period specified.

If the period of interruption exceeds 48 hours, the insured loss will be calculated based upon the amount of insured loss in excess of the Waiting Period and subject to a combined deductible for all coverages of \$100,000 per location.

Any period in which business operations or services would have not been maintained, or any period in which goods would have not been produced will not be included as part of or serve to reduce the effect of any Waiting Period.

7. \$100,000 All Other Losses.

II. SPECIAL TERMS AND CONDITIONS:

1. Extended Terrorism Coverage Endorsement

Section F, Perils Excluded, Group I, Item 2. f) is amended to:

- f. Terrorism, including action taken to prevent, defend against, respond to or retaliate against Terrorism or suspected Terrorism, except to the extent provided in Section D, Extensions of Coverage, 17. Terrorism. However, if direct loss or damage by fire results from any of these acts (unless committed by or on behalf of the insured), then this Policy covers only to the extent the Actual Cash Value of the resulting direct loss or damage by fire to property insured. This coverage exception for such resulting fire loss or damage does not apply to any coverage provided in any Business Interruption Endorsement, if any, which may be a part of this Policy, or any extension of such coverage, or to any other coverages provided by this Policy.

Any act which satisfies the definition of Terrorism provided in Section H, Definitions, or in any Terrorism Endorsement to this policy, shall not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk of physical loss or damage which may be covered elsewhere in this Policy.

If any act which satisfies the definition of Terrorism provided in Section H, Definitions, or in any Terrorism Endorsement to this policy, also comes within the terms of the hostile or warlike action exclusion of this Policy in Section F, Group I, 2.a), the hostile or warlike action exclusion applies in place of this exclusion.

If any act excluded herein involves nuclear reaction, nuclear radiation or radioactive contamination, this exclusion applies in place of the nuclear hazard exclusion of this Policy, Section F, Group I, 1.



2. United States Certified Act of Terrorism 2008

As respects the United States, its territories and possessions and the Commonwealth of Puerto Rico, the definition of Terrorism contained in Section H, DEFINITIONS is declared null and void and it is agreed that an event defined as a Certified Act of Terrorism under the terms of the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT attached to this policy shall be considered Terrorism within the terms of this policy. Notwithstanding anything contained in this policy to the contrary, this policy provides coverage for direct physical loss or damage to insured property and any resulting Business Interruption loss, as provided in the policy, caused by or resulting from a Certified Act of Terrorism only to the extent coverage is provided under the terms and conditions of the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT attached to this policy. Any difference in limit between loss recoverable under the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT and this policy is not recoverable under this policy.

3. Contingent Business Interruption Schedule

The Contingent Business Interruption sub-limit of liability in the Extension of Coverage Sub – Limits Section of the Declarations is amended to the supplier and/or customer premises listed below:

<u>Location</u>	<u>Name and location of supplier or customer</u>	<u>Limit of Liability</u>
ALL	Cities that Directly Supply the Sludge to Synagro	\$ 5,000,000
ALL	All Other Direct Suppliers and/or Customers	\$ 1,000,000

4. Contractors' Equipment

This policy is extended to cover Contractors' Equipment consisting of the following:

<u>Description</u>	<u>Manufacturer</u>	<u>Serial Number</u>	<u>Limit of liability</u>
Rented/Leased Equipment			\$200,000

The company's maximum liability for any one loss under this policy for each piece of Contractor's Equipment will not exceed their respective limit(s) shown on the Schedule on File dated 11/14/2011 and in no event will the aggregate limit exceed \$73,375,341 in any one occurrence.

Actual Cash Value Valuation

The following paragraph shown in the General Conditions section, G. , Item 14, Basis of Valuation;

Adjustment of loss amount(s) under this policy will be determined based on the cost of repairing or replacing (whichever is the lesser), at the time of loss, with materials or equipment of like kind and quality without deduction for depreciation, except as provided in this valuation section.

is amended to:

Adjustment of loss amount (s) under this policy will be determined based on the actual cash value at the time of loss. The words "actual cash value" are substituted wherever the word(s) "replacement cost" are shown.

Applying to Contractors' Equipment.



5. Watercraft Equipment

This policy is extended to cover Watercraft Equipment consisting of the following:

<u>Description</u>	<u>Manufacturer</u>	<u>Serial Number</u>	<u>Limit of liability</u>
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The company's maximum liability for any one loss under this policy for each piece of Watercraft Equipment will not exceed their respective limit(s) shown on the Schedule on File dated 11/14/2011 and in no event will the aggregate limit exceed \$1,860,377 in any one occurrence.

Actual Cash Value Valuation

The following paragraph shown in the General Conditions section, G. , Item 14, Basis of Valuation;

Adjustment of loss amount(s) under this policy will be determined based on the cost of repairing or replacing (whichever is the lesser), at the time of loss, with materials or equipment of like kind and quality without deduction for depreciation, except as provided in this valuation section.

is amended to:

Adjustment of loss amount (s) under this policy will be determined based on the actual cash value at the time of loss. The words "actual cash value" are substituted wherever the word(s) "replacement cost" are shown.

Applying to Watercraft Equipment.

6. Mortgagee and Lenders Loss Payable Interests and Obligations

The following is added to section G. General Conditions.

Mortgagee/Lenders Loss Payable:

- a) Loss or damage, if any, to specified property insured under this policy shall be payable to each specified Mortgagee and Lenders Loss Payable (hereinafter collectively called Lender) as its interest may appear, in addition to the first named Insured or as the first named Insured directs.
- b) This insurance as to the interest of the Lender shall not be invalidated by:
 - 1) Any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
 - 2) Foreclosure, notice of sale, or similar proceedings with respect to the property.
 - 3) Change in the title or ownership of the property.
 - 4) Change to a more hazardous occupancy.

The Lender will notify this company of any known change in ownership, occupancy, or hazard and, within 10 days of written request by this company, may pay the increased premium associated with such known change. If the Lender fails to pay the increased premium, all coverage under this policy will cease.

- c) If the first named Insured fails to render proof of loss within the time provided in this policy, the Lender shall render proof of loss within sixty days after having knowledge of the first named Insured's failure in the form and manner provided by this policy, and, further, shall be subject to the provisions of this policy relating to Appraisal, Legal Action Against this Company, When Loss Payable and the time of payment and bringing suit.



- d) Whenever this company shall pay the Lender for loss or damage under this policy and shall deny payment to the debtor, mortgagor or owner, this company shall, to the extent of such payment, be subrogated to the rights of the Lender under all collateral held to secure the debt or mortgage. No subrogation shall impair the right of the Lender to recover the full amount due. At its option, this company may pay to the Lender the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender to this company, and the remaining debt or mortgage will be paid to this company.
- e) This company may invoke this policy's Suspension clause. The suspension of insurance will apply to the interest of the Lender in any machine, vessel, or part of any machine or vessel subject to the suspension. This company will provide the Lender at the last reported address a copy of the suspension notice.
- f) All notices sent to the Lender shall be sent to its last reported address below.

Subject to this provision, loss, if any, under this policy will be adjusted with the first named Insured and made payable to or as the first named Insured directs and to the following, as their interest may appear:

<u>Lender</u> KEYBANK (CLS) Its Successors and/or Assigns Insurance Administrator P.O. Box 11042 Orange, CA 92856-8142	<u>Location/Interest</u> 1108 Oakpoint Avenue, Bronx, NY, 10474
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As their interests may appear in this policy or as shown on Certificates of Insurance issued on behalf of the first named Insured and on file with this company.

7. Notice of Cancellation:

Section G. General Conditions Item 17. Cancellation is replaced by the following wording:

17. Cancellation:

- a) The first named Insured may cancel this policy at any time by surrendering the policy to this company or by mailing or delivering advance written notice of cancellation to this company.
- b) This company may cancel this policy by mailing or delivering written notice of cancellation to the first named insured at the address as stated in the declarations section, not less than:
 - 1) Sixty (60) days before the effective date of cancellation; or
 - 2) Ten (10) days before the effective date of cancellation for non-payment of premium.
- c) If this policy is cancelled, written notice of cancellation also will be mailed or delivered to Lenders Loss Payables and Mortgagees as their interests may appear in this policy or as shown on Certificates of Insurance issued on behalf of the first named Insured and on file with this company, not less than:
 - 1) Sixty (60) days before the effective date of cancellation; or
 - 2) Ten (10) days before the effective date of cancellation for non-payment of premium; or
 - 3) Ten (10) days after the first named Insured cancels this policy.

Proof of mailing or delivery will be sufficient proof of notice.



- d) This company will return unearned premium to the first named Insured:
- 1) On a pro-rata basis if this company cancels this policy.
 - 2) At 90% of the pro-rata basis if the first named Insured cancels this policy.

8. Supply Chain Coverage Territory

Coverage provided in Section 5., EXTENSIONS OF COVERAGE, item D., Supply Chain Coverage, is limited to property anywhere in the world except in the following countries, provinces or jurisdictions;

Afghanistan; Albania; Algeria; Angola; Armenia; Azerbaijan; Bangladesh; Belize; Benin; Botswana; Burkina Faso; Burundi; Cambodia; Cameroon; Central African Republic; Chad; Cote D'Ivoire; Cuba; Democratic Republic of the Congo (formerly Zaire); Djibouti; Equatorial Guinea; Eritrea; Ethiopia; Fiji; Gabon; Gambia; Georgia; Ghana; Grenada; Guinea; Guinea-Bissau; Guyana; Haiti; States of Jammu and Kashmir in India; Iran; Iraq; Gaza Strip, West Bank and territories north of Latitude 32.80 N in Israel; Laos; Lebanon; Lesotho; Liberia; Libya; Madagascar; Malawi; Mali; Mauritania; Mauritius; Moldova; Mongolia; Montenegro; Montserrat; Mozambique; Myanmar; Namibia; Nepal; Niger; Nigeria; North Korea; Pakistan; Papua New Guinea; Aksai Chin Region and Trans-Karakoram Tract in People's Republic of China; Republic of the Congo; Chechen Republic of the Russian Federation; Rwanda; Senegal; Seychelles; Sierra Leone; Somalia; Sri Lanka; Sudan; Swaziland; Syria; Tajikistan; Tanzania; Timor-Leste; Togo; Provinces of Agri, Batman, Bingol, Bitlis, Diyarbakir, Elazig, Hakkari, Igdır, Mardin, Mus, Sanliurfa, Siirt, Sirnak, and Van in Turkey; Turkmenistan; Uganda; Uzbekistan; Yemen; Zambia; and Zimbabwe.



I. INDEX OF FORMS:

The following forms are made part of this policy:

<u>Title</u>	<u>Form No.</u>	<u>Edition</u>
Standard Fire Insurance Policy	1677-A	(1/00)
Declarations	S-1 MFG	(1/08)
Manufacturing Form All Risk Property Coverage	PRO MFG 3100	(10/09)
Manufacturing Form Business Interruption Endorsement Cross Earnings/Rents/Extra Expense	PRO GE-EE MFG 3200	(8/11)
Alabama Amendatory Endorsement	7291	(12/07)
Arizona Amendatory Endorsement	6487	(6/11)
California Amendatory Endorsement	6488	(6/06)
Colorado Amendatory Endorsement	6489	(10/09)
Connecticut Amendatory Endorsement	6491	(7/09)
Florida Amendatory Endorsement	6496	(11/07)
Florida Amendatory Sinkhole Coverage Endorsement	4739	(10/93)
Georgia State Amendatory Endorsement	2376	(5/07)
Hawaii Amendatory Endorsement	7031	(7/02)
Illinois Amendatory Endorsement	1726	(11/03)
Iowa Amendatory Endorsement	6509	(9/02)
Louisiana Amendatory Endorsement	7005	(10/10)
Maryland Amendatory Endorsement	6498	(11/10)
Massachusetts Special Endorsement	4410	(4/10)
Michigan Amendatory Endorsement	6730	(1/06)
New Jersey Mandatory Endorsement	6261	(6/00)
New York Amendatory Endorsement	6497	(4/08)
North Carolina Amendatory Endorsement	6499	(6/00)
North Dakota Amendatory Endorsement	6971	(7/04)
Ohio Amendatory Endorsement	6399	(8/05)



Pennsylvania Amendatory Endorsement	6333	(6/00)
Rhode Island Amendatory Endorsement	6490	(7/03)
South Carolina Amendatory Endorsement	6500	(6/07)
Tennessee Amendatory Endorsement	6409	(1/05)
Texas Special Mandatory Endorsement	6810	(10/09)
Virginia Amendatory Endorsement	6512	(6/00)
Wisconsin Amendatory Endorsement	3884	(6/00)
Supplemental United States Certified Acts of Terrorism Endorsement	7312	(1/08)
Application of Policy to Date and Time Recognition	PRO DTR 2400	(11/00)
Application of Policy to Date and Time Recognition	PRO DTR NJ 2400	(11/00)
Application of Policy to Date and Time Recognition	PRO DTR 2400 VA	(11/00)
Effective Time Endorsement	7026	(1/00)



Total Premium excluding United States Certified Act of Terrorism Coverage: \$695,145 at 0% Commission

Engineering Fee: \$29,000 at 0% Commission

Additional coverage premiums:

United States Certified Act of Terrorism Coverage: \$10,000 at 0% Commission

Please also note the following:

1. Premiums are based on a TIV of \$502,216,842. We reserve the right to adjust the premium based upon changes in these values.
2. Applicable state taxes, surcharges and fees are not included in this binder. Surcharges will be calculated and added to the invoice upon confirmation of binding.
3. Any variations between this binder and Affiliated FM Forms versus your application are not provided.
4. Insurance under this binder will end when whichever of the following happens first:
 - a. The replacing policy is issued.
 - b. The expiration date of this binder 06/01/2013 or,
 - c. Cancellation by the insured or this Company.

Kindly review our Binder and let me know if you have any questions.

Regards,

Jessica L. McLoughlin Clayton

*Affiliated FM Insurance
Production Underwriter
400 Interpace Parkway
Parsippany, NJ 07054
T: 973-541-6734
F: 973-541-6909
E: jessica.mcloughlinclayton@affiliatedfm.com
www.affiliatedfm.com*



**RYAN
TURNER
SPECIALTY**

BINDER OF INSURANCE

DATE: April 30, 2013

TO: Addis Group, LLC, The
Keith Boyer
2500 Renaissance Blvd
Suite 100
King of Prussia, PA 19406

E-MAIL ADDRESS: kboyer@theaddisgroup.com

FROM: Michelle Ginsberg for Alex Bush

We are pleased to confirm that coverage has been bound with the carrier shown below in accordance with terms, conditions, and limitations provided by the carrier for you and your insured to review. As the broker with the direct relationship with the Insured, it is your responsibility to carefully review with the Insured all of the terms, conditions, and limitations of this Confirmation of Insurance, and to specifically reconcile with the Insured any differences between those quoted and those you requested. RT Specialty expressly disclaims any responsibility for any failure on your part to review or reconcile any such differences with the Insured. This coverage may not be bound without a fully executed brokerage agreement.

Any amendments to coverage must be specifically requested in writing or by submitting a policy change request form and then approved by the Insurance Company Underwriters. Coverage cannot be affected, amended, extended or altered through the issuance of certificates of insurance.

NAMED INSURED: Synatech Holdings Inc. ; Snyagro Technologies, Inc.

MAILING ADDRESS: 1800 Bering Drive
Suite 1000
Houston, TX 77057

CARRIER: Lexington Insurance Company

POLICY NUMBER: 038421996



**RYAN
TURNER
SPECIALTY**

BINDER OF INSURANCE

POLICY TERM: 5/1/2013 to 5/1/2014

PREMIUM:	Premium	\$120,355.00
	TOTAL	\$120,355.00

MINIMUM EARNED PREMIUM: 25.00%

TRIA: REJECTED

COMMISSION: NET

IMPORTANT NOTE: The Home State of the Named Insured shall be determined in accordance with the provisions of the Nonadmitted and Reinsurance Act of 2010, 15. U.S.C §8201, *etc.* (“NRRRA”), and the applicable law of the Home State governing cancellation or non-renewal of insurance shall apply to this Policy.

IF COVERAGE IS ELECTED, THE FOLLOWING ITEMS MUST BE SUBMITTED:

- 1) Completed TRIA form
- 2) Completed NJ Affidavit

There are subjectivities that:

- must be complied with or resolved before the contract becomes binding
- apply both before or after inception, compliance with which is a condition of all or part of the coverage; and
- apply after the formation of the contract as conditions of continued coverage.

PREMIUM FINANCE

If the premium will be financed, please provide the following information and instruct the premium finance company to send documents to our attention. Premium Finance funds should always be paid to R-T Specialty, LLC:

Name of Premium Finance Company:	
Premium Finance Account Number:	



**RYAN
TURNER
SPECIALTY**

BINDER OF INSURANCE

This placement may include a broker fee for services that may include performing a risk analysis, comparing policies, processing submissions, communication expenses, searching the markets for the desired coverage, working with underwriters on the coverage proposal and servicing the policy after issuance. Third-party inspection fees may be itemized. If the insured recommends an inspection company we will endeavor to determine if it is approved by the carrier. As a broker, we represent the insured. We will also receive a commission from the insurer. Broker fees on admitted policies may be fully earned and nonrefundable. Broker fees may be applied to renewal policies, endorsements and certificates. Fees applicable to each renewal, endorsement and certificate will be explained in the quotes. The insured was not obligated to purchase the proposed insurance.

We have an agreement with the insurer that we are proposing for your insurance that may pay us future additional compensation. This type of compensation is in addition to any fees and/or commissions that we have agreed to accept for servicing your insurance needs. This compensation, generally known as profit-sharing, is based on formulas that consider the volume of business placed with the company, the profitability of that business, how much of the business is retained for the company's account each year, and other factors. The agreement considers total eligible premium from all clients placed during a calendar year and any profit-sharing payment is usually received around the second calendar quarter of the following calendar year. Because of variables in this program, we have no accurate way at this time to determine the amount of any additional compensation that might be attributable to our proposal for your insurance. If you need any further information about this proposal or this insurance company that we are proposing to provide your insurance please contact us.

CONFIRMED BOUND BY:

Alex Bush

CONFIDENTIAL

R-T Specialty, LLC

In California: R-T Specialty Insurance Services, LLC License #0G97516

1515 Market Street , Suite 1030, Philadelphia, PA 19102

Phone - (267) 773-6227 Fax - (267) 773-6228



RYAN
TURNER
SPECIALTY

R-T Specialty, LLC

Invoice: 136487

INVOICE DATE: 4/30/2013

DUE DATE: 05/21/2013

Producer:

Addis Group, LLC, The
2500 Renaissance Blvd
King of Prussia, PA 19406

Insured:

Synatech Holdings Inc.
1800 Bering Drive
Suite 1000
Houston, TX 77057

Policy Number: 038421996

Transaction Type: Renewal

Policy Type: All Risk

Carrier: Lexington Insurance
Company

Policy Period: 5/1/2013 - 5/1/2014

Commission %: 0%

INVOICE DETAILS

Gross Premium:	\$120,355.00
Net Due	\$120,355.00

RT Payment Options Are:

Check to LockBox	R-T Specialty, LLC P.O. Box 904038 Charlotte, NC 28290-4038	R-T Specialty, LLC P.O. Box 100903 Pasadena, CA 91189	R-T Specialty, LLC 26289 Network Place Chicago, IL 60673-1262
ACH or WIRE TRANSFER		Check via Courier Mail (Fed Ex, etc)	
Bank Name: JP Morgan Chase Account Name: R-T Specialty Account Number: 905691424 ACH ABA Number: 322271627 Wire ABA Number: 021000021		JP Morgan Chase 806 Tyvola Road Suite 108 Charlotte, NC 28217 Attn: R-T Specialty, Lockbox #904038	

Accounting Contact: RSGpremiumaccounting@ryansg.com or (205) 578-3400

RT Specialty Terms Unless Otherwise Indicated - New Policies / Renewals: 20 days from effective date.
Endorsements: The later of 20 days from Invoice date or Endorsement Effective Date.



Covernote of Insurance

Date: April 30, 2013

Insured: Synagro Technologies, Inc.
 1800 Bering Drive, Suite 1000
 Houston, TX 77057

We are pleased to offer the following Covernote of Insurance received from the Lexington Insurance Company, 100 Summer Street, Boston, MA 02110:

Effective Date	Expiration Date	Policy Number	Company
May 1, 2013	May 1, 2014	03842 1996	Lexington Insurance Company

Beginning and ending at 12:01am standard time at the location involved

Limit of Liability: \$ 15,000,000 **PER OCCURRENCE AND IN THE PRIMARY**
 Specific Policy per Schedule on File with Company

Lexington Participation: 100% being \$15,000,000 part of \$15,000,000 per occurrence and in the primary

Our line is to stand in full as quoted

Sub-Limits: The following sub-limits are part of and not in addition to the policy limit of liability:

\$ 15,000,000 Per Occurrence and Annual Aggregate for the peril of **Earth Movement** except;

Not Covered Per Occurrence and Annual Aggregate for the peril of **Earth Movement in California, Alaska, Hawaii and/or Puerto Rico**

The Per Occurrence and Annual Aggregate Limit for the Peril of Earth Movement shall not exceed \$15,000,000.

Not Covered Per Occurrence and Annual Aggregate for the peril of **Earth Movement in New Madrid Earthquake Zone Counties**

The Per Occurrence and Annual Aggregate Limit for the Peril of Earth Movement shall not exceed \$15,000,000.

Not Covered Per Occurrence and Annual Aggregate for the peril of **Earth Movement in Pacific Northwest Earthquake Zone Counties**

The Per Occurrence and Annual Aggregate Limit for the Peril of Earth Movement shall not exceed \$15,000,000.

\$ 15,000,000 Per Occurrence and Annual Aggregate for the peril of **Flood** except;
 \$ 5,000,000 Per Occurrence and Annual Aggregate for the peril of **Flood occurring wholly or partially within Special Flood Hazard Areas (SFHA), areas of 100-Year Flooding, as defined by the Federal Emergency Management Agency** (if these locations are not excluded elsewhere in this policy with respect to the peril of flood);

The Per Occurrence and Annual Aggregate Limit for the Peril of Flood shall not exceed \$15,000,000.

\$ 15,000,000 Per Occurrence for the peril of **Named Storm** (a storm that has been declared by the National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone, Tropical Storm or Tropical Depression) **except in Florida**, regardless of the number of Coverages, Locations or Perils involved (including but not limited to, all Flood, (however caused) wind, wind gusts, storm surges, tornados, cyclones, hail or rain). In the event covered Loss or Damage by Flood arises out of a Named Storm, the maximum amount the Company will pay per Occurrence for all such Loss or Damage by Flood shall be the Sublimits of Liability for Flood. However, if Flood is not covered, the maximum amount the Company will pay per Occurrence for all such Loss or Damage by Named Storm shall exclude Loss or Damage by Flood.

Not Covered The Per Occurrence Limit for the Peril of Named Storm shall not exceed \$15,000,000. Per Occurrence for the peril of **Named Storm** (a storm that has been declared by the National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone, Tropical Storm or Tropical Depression) **in Florida**, regardless of the number of Coverages, Locations or Perils involved (including but not limited to, all Flood, (however caused) wind, wind gusts, storm surges, tornados, cyclones, hail or rain). In the event covered Loss or Damage by Flood arises out of a Named Storm, the maximum amount the Company will pay per Occurrence for all such Loss or Damage by Flood shall be the Sublimits of Liability for Flood. However, if Flood is not covered, the maximum amount the Company will pay per Occurrence for all such Loss or Damage by Named Storm shall exclude Loss or Damage by Flood.

\$ 100,000 The Per Occurrence Limit for the Peril of Named Storm shall not exceed \$15,000,000. Per Occurrence for **Single Railcar or Container Car Per Schedule filed with the Company**
 \$ 10,000,000 Per Occurrence for **Business Interruption**
 Included in BI Per Occurrence for **Extra Expense**
 \$ 5,000,000 Per Occurrence for **Contingent Time Element As Respects Tier 1 Suppliers or Customers** (a supplier or customer with a direct contractual relationship with the insured of the insured)

The Per Occurrence Limit for Contingent Time Element coverage shall not exceed \$5,000,000.

Not Covered Per Occurrence for **Contingent Time Element As Respects Tier 2 Suppliers or Customers** (a supplier or customer with a direct contractual relationship with Tier 1 supplier or customer)

\$ 25,000 Per Occurrence for **Debris Removal**
 \$ 25,000 Per Occurrence for **Rerail Expense**
 \$ 25,000 Per Occurrence and Annual Aggregate for **Land and Water Decontamination and Clean Up Expense**

Not Covered Per Occurrence for **Accounts Receivable**

Not Covered Per Occurrence for **Automatic Coverage/Newly Acquired Property for a period of 90 days, if not reported to the Company in that 90 day period then coverage ceases.**

Not Covered Per Occurrence and Annual Aggregate for **Biological and Chemical Terrorism**

Not Covered Per Occurrence for **Deferred Payments**

Not Covered Per Occurrence for **Demolition and Increased Cost of Construction**

Not Covered Per Occurrence for **Electronic Data Processing (EDP) Systems (Equipment)**

Not Covered	Per Occurrence for Electronic Data Processing (EDP) Media, Data, Programs and/or Software
Not Covered	Per Occurrence for Errors and Omissions
Not Covered	Per Occurrence for Fine Arts
Not Covered	Per Occurrence for Fire Brigade Charges and Extinguishing Expenses
Not Covered	Per Occurrence for Leasehold Interest
Not Covered	Per Occurrence for Loss Adjustment Expenses and/or Professional Fees
Not Covered	Per Occurrence for Miscellaneous Unnamed/Unscheduled Locations
Not Covered	Per Occurrence for Outdoor Property (including but not limited to Plants, Trees, Shrubs, Fences, Signs, etc.)
Not Covered	Per Occurrence for Property in the Course of Construction and/or During Erection, Assembly and/or Installation Excluding Soft Costs
Not Covered	Per Occurrence for Service / Off Premises Power Interruption including Transmission & Distribution Lines. Insured physical loss or damage must occur within one (1) statute mile from the Insured's premises in order for coverage to apply.
Not Covered	Per Occurrence for Soft Costs
Not Covered	Per Occurrence for Transit
Not Covered	Per Occurrence for Valuable Papers and Records
Not Covered	Per Occurrence for Ingress / Egress . Insured physical loss or damage must occur within one (1) statute mile from the Insured's premises in order for coverage to apply.
Not Covered	Per Occurrence for Civil or Military Authority . Insured physical loss or damage must occur within one (1) statute mile from the Insured's premises in order for coverage to apply.
Not Covered	Extended Period of Indemnity
Not Covered	Per Occurrence for the peril of Equipment Breakdown

Deductibles:

Each claim for loss or damage under this policy shall be subject to a per occurrence deductible amount of **\$50,000**, unless a specific deductible shown below applies:
3X ADV for Time Element

Earth Movement:

(1) **\$100,000** Per Occurrence, except as follows:

Flood:

- (1) **\$100,000** Per Occurrence, except as follows:
- (2) **5%** of Total Insurable Values at the time of the loss at each location involved in the loss or damage, subject to a minimum of **\$1,000,000** any one occurrence, as respects locations **wholly or partially within Special Flood Hazard Areas (SFHA), areas of 100-year flooding, as defined by the Federal Emergency Management Agency (FEMA);**

Windstorm or Hail:

(1) **\$50,000** Per Occurrence;

Named Storm

(1) **\$100,000** Per Occurrence;

If two or more deductible amounts provided in this policy apply to a single occurrence, the total to be deducted shall not exceed the largest deductible applicable unless otherwise stated in the policy. However, if:

- 1. The Time Element deductible and another deductible apply to a single Occurrence, then the Company shall apply both deductibles to the Occurrence; and
- 2. Covered Loss or Damage by Flood arises out of a Named Storm, then the Company shall apply the Flood deductible or the Named Storm deductible, whichever is greater.

Waiting Period:

24 hour waiting period plus appropriate deductible as respects losses caused by interruption by Civil or Military Authority, Ingress/Egress and Service / Off Premises Power Interruption.

Description of Property:

Railroad Rolling Stock

Policy Form:

Lexington Railroad Rolling Stock Policy with expiring endorsements subject to revisions to match quote/binder specifications

Definitions:

Earth Movement:

The term Earth Movement shall mean any natural or man-made earth movement, earthquakes, seaquakes, shocks, tremors, seismic events, landslides, submarine landslides, avalanches, subsidence, sinkhole collapse, mud flow, rock fall, volcano, lava flow or any other similar earth movement, sinking, rising or shifting.

Flood, as defined in this policy, that would not have occurred but for an Earth Movement as described herein, shall be deemed to be proximately caused solely by Earth Movement regardless of any other cause or event that contributes concurrently or in any sequence to such Flood, and consequently shall be considered Earth Movement.

Flood:

The term Flood shall mean a temporary condition of partial or complete inundation of normally dry land from:

1. The overflow of inland or tidal waters outside the normal watercourse or natural boundaries;
2. The overflow, release, rising, back-up, runoff or surge of surface water; or
3. The unusual or rapid accumulation or runoff of surface water from any source.

A Tsunami shall not be considered Flood as defined above.

Named Storm:

A storm that has been declared by the National Weather Service or other Worldwide Recognized Meteorological Authority to be a Hurricane, Typhoon, Tropical Cyclone, Tropical Storm, or Tropical Depression.

Territory:

Coverage under this Policy applies to Occurrences within the United States, its territories and possessions, Puerto Rico, and Canada, including their respective coastal waters.

To Indemnify Against Loss By:

All Risks of Direct Physical Loss or Damage including Flood and Earth Movement except excluding Equipment Breakdown and as further described in the approved policy form and this proposal

Valuation:

AARR Agreement
Actual Loss Sustained for Time Element

Total Insured Values:

\$ 35,988,500 Per Schedule on File with Company

Premium:

Subject to 25% Minimum Earned Premium
Excluding Domestic Terrorism:
\$ 120,355 Plus Surplus Lines Taxes & Fees

The Policy Premium of \$120,355 shown above EXCLUDES a charge of \$3,611 applicable to coverage as respects the Terrorism Risk Insurance Program Reauthorization Act. (Terrorism coverage is not Taken)

All Engineering Services are outlined on the last page. These services are available for an additional charge.

Terms and Conditions:

Subject To:

All Exclusions, Limitations, Terms and Conditions of the Agreed Forms and Endorsements and:

1. We require that you send us an original completed and signed "Affidavit" or an "Exempt Commercial Purchaser Questionnaire" for risks not on the home state export list (if applicable).
2. We require that you send us the completed "Home State Questionnaire" or equivalent documentation of the home state of the risk as defined by NRRRA.
3. 25% Minimum Earned Premium

Note:

1. Any new locations in AK, CA, FL, HI and TX will be underwritten and rated in accordance with our guidelines at the time we are requested to add them.

Special Conditions:

1. We offer only the coverage described in this document and we will not be bound or obligated by proposals, specifications, broker manuscripts still under review, requests or indications prepared by any other party.
2. Equipment Breakdown is not covered under this policy.
3. Policyholder Disclosure Notice of Terrorism Insurance Coverage (Applicable to Certified and Non-Certified Acts)

4. Terrorism Premium Charge Endorsement with Exclusion for Biological and/or Chemical Terrorism
5. War and Terrorism Exclusion Endorsement (applies to locations outside the United States of America its territories and possessions) NMA2918 (08/01)
6. Lexington Insurance Company Standard Property Conditions PR 9019 (01/94)
7. Property Endorsement (Data Corruption Exclusion) PR9514 (09/02)
8. Occurrence Limit of Liability Endorsement PR 9014 (08/06)
9. Millennium Exclusion Endorsement Y69813
10. Mold Fungus Exclusion Endorsement LX9512(08/02)
11. Anti-Stacking Endorsement
12. Pollution, Contamination, Debris Removal Exclusion Endorsement PR 9015 (08/06)
13. Tier 1 Counties Endorsement
14. New Madrid Earthquake Zone Counties and Pacific Northwest Earthquake Zone Counties
15. 60 Days Notice of Cancellation / 10 Days Non-Payment of Premium

This Agency is the surplus lines broker of record and is responsible for the collection, reporting and payment of applicable surplus lines taxes and fees.

We require that you send us a completed and signed "Broker Responsible for Surplus Lines Filings Agreement". If the signed agreement is not received within 10 business days, we reserve the right to cancel this binder and any policy in connection with this binder.

If the coverage is bound, the premium and any applicable surplus lines taxes and fees must be remitted within 30 days of effective date or 15 days from billing, whichever is later.

This binder includes certain information regarding the terms and conditions of the policy. If there is any conflict between the terms and conditions stated in this binder and the terms and conditions of the policy when issued, the terms and conditions of the policy shall govern.

Important: This Insurance cannot be cancelled flat. Earned Premium must be paid for the time insurance has been in force. This Confirmation of Binding is a statement concerning the above insurance as of the date of the issuance of this Confirmation of Binding. This Confirmation of Binding is subject to policy conditions of any policy (ies) which may be issued by Lexington Insurance Company and shall be automatically cancelled and superseded by such policy (ies) upon issuance.

Cancellation: This Confirmation of Binding may be cancelled either of the insured or the insurer by written notice to the other. In the event of cancellation, the earned premium will be computed short rate if cancelled by the insured unless subject to minimum earned premium stated herein and pro rata if cancelled by the insurer.

Please notify us if the information contained herein is incorrect.

Please feel free to contact our office with any questions you may have or if you need any further clarification on any portion of this Covernote of Insurance. Thank you for doing business with Risk Specialists Companies Insurance Agency, Inc.

WAR AND TERRORISM EXCLUSION ENDORSEMENT
(applies to locations outside the United States of America, its territories and possessions)

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.
In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918
08/10/2001

LEXINGTON INSURANCE COMPANY

Standard Property Conditions

This endorsement effective _____, forms a part of Policy Number _____

issued to _____ BY _____

LEXINGTON INSURANCE COMPANY (hereinafter called "the Company").

In consideration of the premium charged, the following clauses are hereby made applicable under this policy.

MINIMUM EARNED PREMIUM CLAUSE

In the event of cancellation of this policy by the Insured, a minimum premium of \$ _____ shall become earned, any provision of the policy to the contrary notwithstanding.

Failure of the Insured to make timely payment of premium shall be considered a request by the Insured for the Company to cancel on the Insured's behalf. In the event of such cancellation for non-payment of premium, the minimum earned premium shall be due and payable; provided, however, such cancellation shall be rescinded if the Insured remits and the Company receives the full policy premium with 10 days after the date of issuance of the cancellation notice. Such remittance and acceptance by the Company shall not effect the minimum earned premium provision of this endorsement. In the event of any other cancellation by the Company, the earned premium shall be computed pro-rata, not subject to the minimum earned premium.

POLICY DEDUCTIBLE

Each claim for loss or damage separately occurring shall be adjusted separately and from each such adjusted claim, the amount of \$ _____ shall be deducted. Notwithstanding, the deductible amount applying to certain peril(s) insured against by this policy shall be as follows:

- ⌘ deductible applying to _____
- ⌘ deductible applying to _____
- ⌘ deductible applying to _____
- ⌘ deductible applying to _____

In the event of any other insurance covering the property insured hereunder, whether or not concurrent, the deductible(s) specified herein shall apply in full against that portion of any claim for loss or damage which the Company is called upon to pay under the provisions of the Apportionment Clause irrespective of any provisions to the contrary of such other insurance.

CANCELLATION CLAUSE

Except and to the extent of the Minimum Earned Premium Clause which is part of this policy, this clause supersedes other cancellation clauses made a part of this policy.

CANCELLATION: This policy may be cancelled by the Insured by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This policy may be cancelled by the Company by mailing to the Insured, at the mailing address shown in this policy or last known address, written notice, stating when, not less than 30 days thereafter (10 days for non-payment of premium) such cancellation shall be effective. The effectiveness of cancellation is not dependent on the return of unearned premium with the notice. Proof of 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 Insured or the Company shall be equivalent to mailing. If the 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 shall be made as soon as practicable after cancellation becomes effective.

SERVICE OF SUIT CLAUSE

Service of Suit: In the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service or process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts, 02110-2103, or his or her representative, and that in any suit instituted against the Company upon this policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Company hereby designates the **OCCURRENCE LIMIT OF LIABILITY ENDORSEMENT** Superintendent, Commissioner or Director of Insurance, other officer specified for that purpose in the statute, or his successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this policy of insurance and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

WAR RISK EXCLUSION CLAUSE

The Company shall not be liable for any loss, caused directly or indirectly, by (1) hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating or defending against an actual, impending or expected attack (a) by government or sovereign power (dejure or de facio) or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or force (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war, whether or not its discharge was accidental; (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such an occurrence, seizure or destruction; (4) any consequence of any of the foregoing.

NUCLEAR EXCLUSION CLAUSE

The Company shall not be liable for loss by nuclear reaction or nuclear radiation or radioactive contamination all whether controlled or not, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) Insured against in this policy. If the peril of fire is insured under this policy, then, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy.

SALVAGE AND RECOVERY CLAUSE

All salvages, recoveries and payments recovered or received either prior or subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto, including deduction of the Company's cost of recovery or salvage.

REPORTING CLAUSE

Notwithstanding that the Insured may be obligated to report full values for premium purposes, the Company's maximum limit of liability shall not exceed that amount stated as the policy limit of liability.

PROOF OF LOSS AND PAYMENT

The Insured shall complete and sign a sworn proof of loss within ninety (90) days after the occurrence of a loss (unless such period be extended by the written agreement of the Company) stating the time, place and cause of loss, the interest of the Insured and of all others in the property, the sound value thereof and the amount of loss or damage thereto, and all other insurance thereon. All adjusted claims shall be due and payable thirty (30) days after the presentation and acceptance of satisfactory proof(s) of loss at the office of the Company at 100 Summer Street, Boston, Massachusetts 02110-2103.

GOVERNMENT ACTIVITY CLAUSE

The Company shall not be liable for loss or damage caused by or resulting from: (1) the seizure or destruction of property insured by this policy by any government body, including any customs or quarantine action, or (2) confiscation or destruction of any property by order of any government or public authority, except an order to destroy property to prevent the spread of fire or explosion.

IN WITNESS HEREOF, we have caused this policy to be executed and attested, but this policy shall not be valid unless countersigned in the Declarations by one of our duly authorized representative.

Elizabeth M. Tuck

Secretary

Lin H. Kelley

Chairman of the Board & CEO

PROPERTY ENDORSEMENT

It is noted and agreed that this policy is hereby amended as follows:

The Insurer will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

- 1. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,**
- 2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,**
- 3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.**

This Endorsement shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

Such Damage or Consequential loss described in 1, 2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

All other terms, conditions and exclusions of this policy remain unchanged.

COMBINED PROPERTY/BOILER & MACHINERY MILLENNIUM ENDORSEMENT

This policy is hereby amended as follows:

- A. The Insurer will not pay for Damage or Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the inability to:
1. correctly recognize any date as its true calendar date;
 2. capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than its true calendar date; and/or
 3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.
- B. It is further understood that the Insurer will not pay for the repair or modification of any part of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.
- C. It is further understood that the Insurer will not pay for Damage or Consequential Loss arising from the failure, inadequacy, or malfunction of any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A. above.

Such Damage or Consequential Loss described in A, B, or C above, is excluded regardless of any other cause that contributed concurrently or in any other sequence.

This endorsement shall not exclude subsequent Damage or Consequential Loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow, sudden and accidental breakdown of an object, including mechanical and electrical breakdown.

MOLD / FUNGUS EXCLUSION

In consideration of the premium charged, it is hereby understood and agreed that this policy is amended as follows:

The Company shall not be liable for any loss or damage caused by, arising out of, contributed to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

- (a) fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
- (b) mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
- (c) spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms;

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

This exclusion shall not apply to any loss or damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which the Insured establishes is a direct result of a Covered Loss not otherwise excluded by the Policy, provided that such fungus, mold(s), mildew or yeast loss or damage is reported to the Company within twelve months from the expiration date of the Policy.

All other terms, conditions, definitions, exclusions, limitations and provisions of the Policy remain the same.

ANTI-STACKING ENDORSEMENT

The following condition is added to the policy:

If this insurance and any other insurance issued to the Insured by the Company or any entity that the Company controls, is controlled by or is under common control with applies to the same loss, claim, suit, occurrence, or accident, whichever is applicable, the maximum limit of insurance under all insurance available will not exceed the highest applicable limit of insurance available under any one policy.

However, this condition does not apply to any other insurance issued to the Insured by the Company or any entity that the Company controls, is controlled by or is under common control with which is specifically intended to be primary to, in excess of, or quota share with the policy to which this endorsement is attached.

All other terms and conditions of the policy remain the same.

**POLLUTION, CONTAMINATION, DEBRIS REMOVAL
EXCLUSION ENDORSEMENT**

1. Property Not Covered

This policy does not cover land, land values or water.

2. Pollution and Contamination Exclusion.

This policy does not cover loss or damage caused by, resulting from, contributed to or made worse by actual, alleged or threatened release, discharge, escape or dispersal of CONTAMINANTS or POLLUTANTS, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any physical damage insured by this policy.

Nevertheless, if fire is not excluded from this policy and a fire arises directly or indirectly from seepage or contamination or pollution, any loss or damage insured under this policy arising directly from that fire is insured, subject to the provisions of this policy.

CONTAMINANTS or POLLUTANTS means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, virus, or hazardous substances as listed in the Federal Water, Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act or as designated by the U. S. Environmental Protection Agency. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion shall not apply when loss or damage is directly caused by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm, hail, vandalism, malicious mischief. This exclusion shall also not apply when loss or damage is directly caused by leakage or accidental discharge from automatic fire protective systems.

3. Asbestos, Dioxin or Polychlorinated Biphenols Exclusions

This policy does not cover -

- a) Asbestos, dioxin or polychlorinated biphenols (hereinafter all referred to as "Materials") removal from any good, product or structure unless the asbestos is itself damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective system.
- b) Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating such Materials;
- c) Any governmental direction or request declaring that such Materials present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

The exception to exclusion 3(a), above, does not apply to payment for the investigation or defense of any loss, damage or any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended

4. Debris Removal Exclusion

The Company will pay the expense within the sum insured to remove debris of insured property damaged or destroyed by an insured peril during the policy term.

The Company will not pay the expense to:

- a) Extract contaminants or pollutants from the debris; or
- b) Extract contaminants or pollutants from land or water; or

- c) Remove, restore or replace contaminated or polluted land or water; or
- d) Remove or transport any property or debris to a site for storage or decontamination required because the property or debris is affected by pollutants or contaminants, whether or not such removal, transport, or decontamination is required by law or regulation.

It is a condition precedent to recovery under this extension that the Company shall have paid or agreed to pay for direct physical loss or damage to the property insured hereunder and that the Insured shall give written notice to the Company of intent to claim for cost of removal of debris or cost to clean up not later than 180 days after the date of such physical loss or damage.

5. Authorities Exclusion

Notwithstanding any of the provisions of this policy, the Company shall not be liable for loss, damage, costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any Government Agency, Court or other Authority arising from any cause whatsoever.

TIER 1 COUNTIES ENDORSEMENT

It is agreed that the all reference to "Tier 1", "Tier 1 Windstorm" or other similar "Tier 1" references, shall be defined as all locations situated within *Tier 1 Counties, Parishes or Independent Cities* as classified below.

ALABAMA:	Baldwin, Mobile;
FLORIDA:	Entire State of Florida;
HAWAII:	Entire State of Hawaii;
GEORGIA:	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh;
LOUISIANA:	Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion;
MISSISSIPPI:	Hancock, Harrison, Jackson;
NORTH CAROLINA:	Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrell, Washington;
SOUTH CAROLINA:	Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper;
TEXAS:	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris (entire County), Jackson, Jefferson, Kenedy, Kleberg, Liberty, Matagorda, Newton, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy;
VIRGINIA:	Accomack, Chesapeake City, Gloucester, Hampton City, Isle of Wight, James City, Lancaster, Mathews, Middlesex, Newport News, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Suffolk City, Surry, Virginia Beach City, Westmoreland, Williamsburg City, York;

All other terms and conditions remain unchanged

EQUIPMENT BREAKDOWN EXCLUSION

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature caused by, resulting from or in connection with any of the following:

- 1.) Electrical injury or disturbance to electrical appliances, devices, or wiring caused by electrical currents artificially generated. However, if loss or damage from a covered peril results, to covered property, from such electrical injury or disturbance, then this policy shall cover such ensuing loss or damage not otherwise excepted or excluded from coverage; This exclusion shall not apply to Electronic Data Processing Systems and Valuable Papers.
- 2.) Mechanical breakdown. However, if loss or damage from a covered peril results from such mechanical breakdown then this policy shall cover such ensuing loss or damage not otherwise excepted or excluded from coverage; This exclusion shall not apply to Electronic Data Processing Systems and Valuable Papers.
- 3.) Explosion, rupture, or bursting of steam boilers, steam pipes, steam turbines or steam engines owned or operated by the Insured. However, if loss or damage from a covered peril results, to covered property, from such explosion, rupture, or bursting then this policy shall cover such ensuing loss or damage not otherwise excepted or excluded from coverage.

NEW MADRID EARTHQUAKE ZONE COUNTIES

Arkansas: Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Randolph, Sharp, Mississippi, Poinsett

Illinois: Alexander, Massac, Pulaski, Union, Williamson, Johnson, Pope, Saline, Jackson, Franklin, Perry, Hardin, Randolph, Monroe, St Clair, Washington, Clinton, Bond Madison, Jefferson

Indiana: Posey, Vanderburgh, Gibson, Warrick, Pike

Kentucky: Ballard, Carlisle, Fulton, Graves, Hickman, Livingston, McCracken, Livingston, Marshall, Calloway

Mississippi: Desoto, Tunica, Marshall, Tate, Coahoma, Bolivar

Missouri: Bollinger, Butler, Cape Girardeau, Dunklin, Mississippi, New Madrid, Pemiscot, Scott, Stoddard, St. Louis, St. Francois, St Charles, Jefferson, Franklin, Warren, Washington, Iron, Wayne, Butler, Reynolds, Madison, St Genevieve and Perry

Tennessee: Crockett, Dyer, Haywood, Lake, Lauderdale, Obion, Shelby, Tipton, Gibson, Madison, Fayette, Hardeman

PACIFIC NORTHWEST EARTHQUAKE ZONE COUNTIES

Washington: Clallam, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston and Whatcom

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

**AUTHORIZED SIGNATURE OR
COUNTERSIGNATURE (IN STATES WHERE APPLICABLE)**

DEFINITIONS

HOME STATE --

- (A) In general. -- Except as provided in subparagraph (B), the term "home state" means, with respect to an insured --
- (i) the state in which an insured maintains its principal place of business or, in the case of an individual, the individual's principal residence; or
 - (ii) if 100 percent of the insured risk is located out of the state referred to in clause (i), the state to which the greatest percentage of the insured's taxable premium for that insurance contract is allocated.
- (B) Affiliated Groups. -- If more than 1 insured from an affiliated group are named insureds on a single non-admitted insurance contract, the term "home State" means the home State, as determined pursuant to subparagraph (A), of the member of the affiliated group that has the largest percentage of premium attributed to it under such insurance contract.

AFFILIATE -- The term "affiliate" means, with respect to an Insured, any entity that controls, is controlled by, or is under common control with the Insured.

AFFILIATED GROUP -- The term "affiliated group" means any group of entities that are all affiliated.

CONTROL -- An entity has "control" over another entity if --

- (A) the entity directly or indirectly or acting through 1 or more other persons owns, controls or has the power to vote 25 percent or more of any class of voting securities of the other entity; or
- (B) the entity controls in any manner the election of a majority of the directors or trustees of the other entity.

PRINCIPAL PLACE OF BUSINESS -- The term "principal place of business" means, with respect to determining the home state of the Insured:

- (A) the state in which an Insured maintains its headquarters and the Insured's high level officers direct, control and coordinate the business activities; or
- (B) if the Insured is a company which maintains outside any state its headquarters where the Insured's high level officers direct, control and coordinate the business activities, (for example a foreign company headquartered in a foreign country), then the state where the largest percentage of the risk resides, i.e. the state to which the greatest percentage of the Insured's taxable premium for the insurance contract is allocated.

PRINCIPAL RESIDENCE -- "Principal residence" means, with respect to determining the Home State of the insured, (a) the state where the insured resides for the greatest number of days during a calendar year; or (b) if the insured's principal residence is located outside any state, the state to which the greatest percentage of the insured's taxable premium for that insurance contract is allocated.

STATE -- The term "state" includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the U.S. Virgin Islands, and American Samoa.

Definitions

For purposes of this form, the following definitions apply:

- A) **Affiliate.** – The term “affiliate” means, with respect to an Applicant, any entity that controls, is controlled by, or is under common control with the Applicant.
- B) **Affiliated Group.** – The term “affiliated group” means any group of entities that are all affiliated.
- C) **CONTROL** – An entity has “control” over another entity if –
- (i) the entity directly or indirectly or acting through 1 or more other persons owns, controls or has the power to vote 25 percent or more of any class of voting securities of the other entity; or
 - (ii) the entity controls in any manner the election of a majority of the directors or trustees of the other entity.
- D) **PRINCIPAL PLACE OF BUSINESS** – The term “principal place of business” means, with respect to determining the home state of the Applicant:
- (i) the state in which an Applicant maintains its headquarters and the Applicant’s high level officers direct, control and coordinate the business activities; or
 - (ii) if the Applicant is a company which maintains outside any state its headquarters where the Applicant’s high level officers direct, control and coordinate the business activities, (for example a foreign company headquartered in a foreign country), then the state where the largest percentage of the risk resides, i.e. the state to which the greatest percentage of the Applicant’s taxable premium for the insurance contract is allocated.
- E) **STATE** – The term “state” includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the U.S. Virgin Islands, and American Samoa.

PROPERTY LOSS CONTROL SERVICES

Summary

Lexington Insurance Company provides insurance products to our clients. Chartis Engineering provides Loss Control Engineering Services to Lexington Insurance Co. policyholders.

This document provides an outline of the Commercial Property Engineering Services that are available to our clients. These Engineering Services are designed to help Lexington and our clients better understand and manage risks.

The level of service and associated fee will be based upon the services selected and agreed upon by the client.

Chartis Commercial Property Engineering Services

Our preferred method of servicing is to form a loss control partnership with both the client and their broker. We know from experience that this leads to a better understanding of the account, reduced exposure levels and improved loss experience. In such a partnership, Lexington and Chartis Engineering will work with our client and their broker to define the engineering servicing program and develop the account servicing plan.

Key in the development and execution of such a partnership is your Chartis Account Engineer, who will be risk management's central point of contact in creating and fulfilling the account service plan. Your Account Engineer will be the agent to a wide range of engineering services supported by our own field engineers and strategic service partners. Together this group provides our clients access to a network of over 800 property and specialty risk engineers strategically located around the world. As part of the property engineering services, full detailed Loss Control Reports containing COPE information, recommendations and loss estimates will be provided along with impairment monitoring, recommendation tracking and annual stewardship meetings as applicable.

Below is a list of the services that we will provide to assist you with your risk management activities. The costs for these services will be invoiced separately from insurance premium. The final Engineering Servicing Program will be defined prior to binding and can only be modified with written approval from all parties.

Engineering Services

Lexington offers the following wide range of Engineering Services and is supported by our own field engineers and by strategic service partners. Combined this provides a network of over 800 property engineers strategically located around the world.

- Property Loss Control Inspections and Full Loss Control Reports
- Account Engineer Coordination of Services
- Stewardship reports and meetings
- Fire Protection Impairment Monitoring
- Risk Tool Risk Management Website Access
- Resource Material
- Property Loss Control Training Seminars
- Project Management, Plan Review and Special Visits
- Loss Control Report Database
- CAD Insurance Diagrams
- Thermographic Surveys
- Appraisal Services
- Business Impact Analysis Study
- Boiler & Machinery Training Seminars
- Transformer Oil Gas Analysis (TOGA)
- Lubricating Oil Analysis
- International Codes & Standards Compliance
- TEGG Alliance Partner Services
- Boiler and Machinery Centric - High Hazard Occupancy & Equipment Inspections

If you would like additional details regarding any of our loss control services please reach out to your Lexington Underwriter and/or Account Engineer.

Underwriting Inspections

No matter the level of servicing agreed upon, Lexington reserves the right to inspect your locations to develop information necessary to adequately underwrite your business. When conducting these surveys Lexington may issue risk improvement recommendations. In addition, if the policy includes Boiler & Machinery coverage, Jurisdictional Inspections will be performed where required. The costs associated with these inspection services are borne by Lexington.

**Final Confirmation for:
Synagro Technologies, Inc.**

Prepared for:
THE ADDIS GROUP LLC

Prepared by:
Steve Crofton

Prepared date:
04/29/2013

Policy effective date:
05/01/2013

Policy expiration date:
05/01/2014



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Program Summary
Option: Final Confirmation.04.29.2013

	Total	Workers Compensation	Workers Compensation	Automobile Liability	Automobile Physical Damage
Program					
Program		Deductible	Retro	Deductible	Deductible
Plan Type		Paid	Paid	Paid	Paid
Deductible/Loss Limitation/SIR		\$500,000	\$500,000	\$250,000	\$250,000
ALAE Treatment/SIR Claim Expenses		Included	Included	Included	Included
Loss Billings Apply to:		Paid Losses	Paid Losses	Paid Losses	Paid Losses
Loss Billing / Adjustment Frequency		Monthly Throughout	Monthly Throughout	Monthly Throughout	Monthly Throughout
1st Adjustment (from policy inception)		n/a	18	n/a	n/a
Number of Installments		Pre-Paid	Pre-Paid	Pre-Paid	Pre-Paid
Exposures					
U.S. Exposures Excl. Stop Gap Payroll		\$42,841,061	\$0	503	1,609
Exposure Basis		Payroll	Payroll	Power Units	Total Units
States Included		All states excluding monopolistic states and WI.	WI Only. Prm to be collected via the Ded. Policy	All	All
Fixed Costs					
Estimated U.S. Premium	\$1,495,736	\$977,097	\$83,634	\$435,005	Included
Rate		2.280749		864.821074	n/a
Per		100	100	1	1
Minimum Premium	\$1,412,102	\$977,097	n/a	\$435,005	Included
Estimated Terrorism/TRIA Premium	\$4,543	\$4,321	\$222	Included	Included
Estimated CAT Premium	\$2,032	\$1,921	\$111	n/a	n/a
Expense Constant(s)	\$558	\$338	\$220	n/a	n/a
Estimated Surcharges / Assessments	\$34,745	\$28,239	none at inception	\$6,492	\$14
Total	\$1,537,614	\$1,011,916	\$84,187	\$441,497	\$14
Retrospective Basic Amount	\$0	n/a	\$0	n/a	n/a
Retro Subject Premium	\$83,412	n/a	\$83,412	n/a	n/a
Retro Tax Multiplier		n/a	1.0360	n/a	n/a
Total Estimated Fixed Costs	\$1,453,980	\$1,011,916	\$553	\$441,497	\$14
Fees					
Risk Engineering	\$37,500	\$37,500	Included	Included	Included
Number of Installments		1	1	1	1
Total Fees	\$37,500	\$37,500	\$0	\$0	\$0
Commission Amount					
Commission Amount Applied to	\$0	Net	Net	Net	Net
		Net	Net	Net	Net
Claim Handling					
Claim Handler		Zurich	Zurich	Zurich	Zurich
Prefunded Claims Handling Expense	\$71,005	\$20,680	n/a	\$46,065	\$4,260
Policy Limits					
Per Occurrence / Per Accident		Statutory	Statutory	\$2,000,000	n/a
WC/EL; GL Prod. Agg./Gen'l Agg.		\$1,000,000	\$1,000,000	n/a	n/a
Combined Elements					
	Amount	Lines Included			
LOC	\$1,638,000				
Required/Amended Loss Fund Amount	\$132,390	AL Ded,Auto Phys Dam Ded,WC Ded,WC Retro			
Loss Fund Adjustment	ADJUSTABLE				

Additional Comments

Zurich's renewal proposal is conditioned upon Synagro's filing of a motion on or before May 5, 2013 and the ultimate entry of an order, in form and substance acceptable to Zurich, in the chapter 11 proceeding of the Synagro pursuant to which Synagro shall recognize that:

(i) that the reimbursement obligations and any other obligations that arise post-petition under the agreements between Zurich and Synagro (regardless of whether all or any part of such obligations are liquidated, due or paid before or after confirmation of a chapter 11 plan or conversation of one or more of the Debtors' chapter 11 cases to chapter 7) shall be administrative obligations entitled to priority under section 503(b) of the Bankruptcy Code and are actual and necessary

**Program Summary
Option: Final Confirmation.04.29.2013**

expenses of the estates; and

(ii) that Synagro's rights against all collateral held by Zurich, in whatever form, shall be governed by the terms of the agreements between Zurich and Synagro, and Synagro shall not take any action against Zurich in their bankruptcy cases that is inconsistent with the terms of those agreements, including, without limitation, actions for turnover or estimation. Zurich shall have the right to cancel the policies upon 15 days' notice for the May 1, 2013 to May 1, 2014 policy year if such order is not obtained from the Bankruptcy Court on or before May 25, 2013.

The payment plan is: Pre-Paid no later than 05/01/2013.

The Letter of Credit must be in place no later than 05/01/2013.

Coverage for Automobile Physical Damage is provided on a fronted basis with a \$250,000 Limit subject to a \$250,000 Deductible.

The program includes up to 250 Risk Engineering Service hours. The Risk Engineering Service fee is indicated above and is in addition to the premium. Additional Risk Engineering Service hours are available at \$150 per hour.

Documents Required (as applicable)	Due Date
UM/UIM/PIP selection/rejection forms and Summary Form	Policy Effective Date
NJ Deductible Notice of Election	50 days from Policy Effective Date
Retro Notice of Election	30 days from Policy Effective Date
Non Policy Agreement(s)	30 days from date of receipt
Collateral	Due on or before the Policy Effective Date
Loss Fund	Policy Effective Date

Installment Information

The total amount for all premium, taxes, surcharges and assessments shown for this Option is payable in installments. An initial payment as determined by the Company is due upon the inception of the policy. Subsequent premium, tax, surcharge and assessment payments, unless otherwise indicated, will be made in the following installments: 1

Additional premium, tax, surcharge and assessment payments resulting from changes to the policy may, in the Company's sole discretion, be spread over the remaining installments, if any. If there are no remaining installments, additional premium, tax, surcharge and assessment payments resulting from changes to the policy shall be billed as a separate transaction.

An invoice indicating the amount of each payment and the due date will be sent by the Company and an endorsement evidencing the installment schedule will be included with the policy.

In the event the insured fails to pay any amount when due, the policy may be cancelled.

Notes:

1 Applicable taxes will apply to qualifying services.



**Zurich Claim Service Fee Schedule
Option: Final.Confirmation.04.29.2013**

Type of Claim	Fee Per Claimant*	Projected # of Claimants	Projected Claim Fees
WC Insured			
Medical	\$160	28	\$4,480
Indemnity - all other states	\$1,300	9	\$11,700
Indemnity - high cost states **	\$1,500	3	\$4,500
TOTAL WC Insured		40	\$20,680
Automobile Liability			
Bodily Injury only	\$850	4	\$3,400
Property Damage only	\$395	4	\$1,580
Combined BI & PD	\$1,245	33	\$41,085
TOTAL AL		41	\$46,065
Auto Physical Damage			
All	\$213	20	\$4,260
TOTAL APD		20	\$4,260
Total Projected Claim Fees			\$71,005

* All fees are charged per claimant with a maximum of 10 fees per accident or occurrence.

** High Cost States : AK,CA,FL,HI,ID,MT,NV,NY,OR,PA,TX

Service Charges/Administration Fees

Number of Claim Reviews * 1
 Administrative Fees Included

* Number of Claim Reviews in addition to service package

Note:

1. Claim Handling Fees are fees only, except for Retros where they become part of the Retro Premium.
2. Applicable taxes will apply to qualifying services.
3. The Claim Handling Fee ("CHF") deposit(s) held by the Company will be reconciled annually beginning eighteen (18) months after the policy Effective Date. The reconciled CHF charge will be computed by multiplying the actual number of claimants for each Type of Claim by the corresponding Fee Per Claimant. The final CHF reconciliation will be forty-two (42) months after the Effective Date. For each accident or occurrence involving ten or more claimants, the Fee Per Claimant charge will be applied to a maximum of ten claimants.
4. For each claimant, the state used to determine which indemnity fee applies is based on jurisdiction-the law of the state used to determine the WC benefits paid.



Contact and Billing Information

	Name	Phone	E-Mail
	Title	Fax	
Insured Contact	Joe Page	(443) 489-9000	jpage@synagro.com
	Sr. Exec. VP, Chief Admin Ofcr. & Gen. Counsel	(443) 489-9041	
Broker Contact	Brian C. Crochiere	(610) 945-1026	bcrochiere@theaddisgroup.com
	Senior Vice President	(610) 279-8543	

Insured Information

Company Name	Synagro Technologies
Street Address	435 Williams Court
Street Address	Suite 100
City, State, Zip	Baltimore, MD 21220
Invoice Delivery Method	E-Mail
Invoice Sorted by	Site Code

Broker Information

Company Name	THE ADDIS GROUP LLC
Street Address	2500 Renaissance Blvd
Street Address	Suite 100
City, State, Zip	King of Prussia, PA 19406-2639
Invoice Delivery Method	E-Mail



Policy Numbers

Policy Number	Company	Coverage	New York Free Trade Zone Applies
BAP 9243960 01	Zurich American Insurance Company	Automobile	No
WC 9243961 01	American Zurich Insurance Company	Worker's Compensation Deductible	No
WC 9243962 01	Zurich American Insurance Company	Worker's Compensation Retro	No



Important Notes

Throughout this document the terms "the Company", "the Insured" and "the Producer" are used. These terms refer to the following entities:

the Company: Zurich American Insurance Company, American Guarantee and Liability Insurance Company, American Zurich Insurance Company, Zurich American Insurance Company of Illinois, Steadfast Insurance Company and/or Zurich Insurance Company.

the Insured (with respect to SIRs, the term Insured also means Qualified Self-Insurer or Self-Insurer for Programs labeled SIRs):
Synagro Technologies, Inc.

the Producer:
THE ADDIS GROUP LLC

Zurich has prepared this document in response to your submission requesting insurance coverage for the lines of business quoted herein. Please refer to the individual coverage sections for detailed information including the terms and conditions for each line of business. No changes to the terms, conditions or pricing reflected in this document may be made without written authorization from the Company.

Any errors, omissions or alterations to the Producer Specifications may result in a change or withdrawal of this Proposal or Final Confirmation.

In the event you subsequently request a revised Proposal or Final Confirmation for lines of business that differ from those lines of business quoted herein, the Company reserves the right to review and revise the terms program structure, and pricing components.

The use of any premium financing arrangement requires the Company's approval prior to binding.

This Proposal/Final Confirmation is presented to the Insured with the understanding that neither Zurich nor any of its subsidiaries, affiliates, or employees, offer, or purport to offer, advice to the Insured concerning the proper financial, accounting, or tax treatment for the policy(ies) of insurance referenced herein and nothing herein should be considered to constitute such advice. If accounting advice, tax advice or other expert professional assistance is required, the Insured should consult with their own accountant, adviser, counsel or other similar competent professional with expertise in the required area.

The Coverage Exhibit lists the policy coverages and forms to be provided by the Company. These may deviate from the requested coverage and wording contained in the Producer Specifications. This Exhibit supersedes all other requests, proposals or discussions. Except as otherwise noted herein, the coverages forms are countrywide and do not reflect state specific required forms. The state forms, where applicable, will be endorsed on to the final policy. Unless otherwise stated elsewhere within this Proposal/Final Confirmation, the coverage forms referenced on the Coverage Exhibit will be the most current version used by the Company. Any deviations from the coverages, forms and limits provided herein will require our review and must be authorized by the Company, in writing.

Coverage for the entity(ies) shown below is subject to clearance of the Office of Foreign Asset Control, OSFI Government of Canada and Bank of England lists. If we are unable to successfully clear the entity(ies), no coverage will be provided for this entity(ies):

None



**Workers Compensation
Coverages & Limits
Option: Final.Confirmation.04.29.2013**

Coverage	Limits	Basis
Workers Compensation	Statutory	
Employers Liability Insurance		
Bodily Injury by Accident	\$1,000,000	Each Accident
Bodily Injury by Disease	\$1,000,000	Policy Limit
Bodily Injury by Disease	\$1,000,000	Each Employee
<u>Deductible/Loss Limitation</u>		
Workers Compensation Bodily Injury By Accident:	\$500,000	Each Accident
Workers Compensation Bodily Injury By Disease:	\$500,000	Each Claim
Employers Liability Bodily Injury By Accident:	\$500,000	Each Accident
Employers Liability Bodily Injury By Disease:	\$500,000	Each Claim

Applicable to All Coverages

Notice of Cancellation or Non-Renewal 30 Days
 Notice of Cancellation for Non-Payment of Premium 10 Days

Coverages or Exclusions	Form Number	Fill In Language
Policyholder Notice For Retrospectively Rated Policies	U GU 725 A CW	
Workers Compensation and Employers Liability Insurance Policy Information Page	WC 00 00 01 A (09/02)	Item 3.C.: "All states not listed in 3A. except OH, ND, WA and WY.
Pending Rate Change Endorsement	WC 00 04 04	
Employers Liability Stop Gap Coverage	WC 00 03 03	"If Any".
Notice of Cancellation/Non-Renewal (see Limits page for number of days)	U WC 402 A CW	
Voluntary Compensation	WC 00 03 11 A	Employees: "All employees while in the course of their employment, including employer sponsored athletic or volunteer activities but while not subject to the Workers' Compensation or Occupational Disease law of any state." State of Employment Language: "All states shown in Item 3.A.of the Information Page, Except Wisconsin and New Jersey." Designated Workers' Compensation Law: "State of Hire".

Coverages or Exclusions	Form Number	Fill In Language
Foreign Voluntary Compensation and Employers Liability Coverage Endorsement	WC 99 03 02	Name(s) of Employees: "As described in Section 1. Employees Covered of this endorsement". State or Country of Operations: "All locations outside the United States, its territories or possessions (excluding any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States). Designated WC Law: The employee's state of hire.
Foreign Voluntary Compensation and Employers Liability Coverage Endorsement	U WC 198 C	Covered Employees: Designated Covered Employees. Designated WC Law: "The employee's state of hire listed in Item 3.A. of the Information Page." Description of Work: "All operations relating to the Named Insured's business except operations in or while in transit to or from countries on the U.S. State Department's 'Ban List'."
Alternate Employer - Non-Temp Agency	WC 00 03 01	Fill-in 1: "An alternate employer with whom you have a written contract that requires this policy to apply as though the alternate employer is an insured". Fill-in 2: "All States listed in Item 3.A. of the Information Page." Fill-in 3: "All" or "Any".
Waiver of Our Right to Recover From Others Endorsement	WC 00 03 13	Schedule: "All persons or organizations."
Sole Proprietors, Partners, Officers and Others Coverage Endorsement	WC 00 03 10	Individuals may be designated by naming them or by describing them, i.e.1) All Partners or 2) All Executives, Officers except the President. Specifically name the sole proprietor. Partners can use either specific names or "All Partners". Officers can use either specific names or "All Officers" or "All Executive Officers". Others must show specific names.
Notification of Change in Ownership Endorsement	WC 00 04 14	Not applicable in CA, DE, HI, ME, MI, NJ, PA, TX.
Premium Due Date Endorsement	WC 00 04 19	Not applicable in AZ, CA, GA, HI, MA, MI, OR, TN, TX, VA.
Retrospective Premium Endorsement	WC 00 05 03 A	
Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement	WC 00 04 22A	
Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement	WC 00 04 21C	



Coverages or Exclusions	Form Number	Fill In Language
Workers Compensation and Employers Liability Insurance Policy	WC 00 00 00 B (7/11)	



**Automobile
Coverages & Limits
Option: Final.Confirmation.04.29.2013**

Coverage	Covered Autos	Limits	Limits Basis	Coverage Basis	Coverage Deductible/Loss Limitation/SIR
Liability Coverage					
Liability	1	\$2,000,000	Combined Single Limit	Any One Accident	\$250,000
Personal Injury Protection (PIP)	5	Separately stated in each P.I.P. End. Minus Deductible			\$250,000
Uninsured Motorists (UM)	6	Rejected/Minimum Mandatory Coverage		Each Accident	\$250,000
Underinsured Motorists (when not included in UM Cov.)	6	Rejected/Minimum Mandatory Coverage		Each Accident	\$250,000
Coverage	Covered Autos	Limits			Coverage Deductible/Loss Limitation/SIR
Physical Damage Coverage					
Comprehensive Coverage					\$250,000
Collision Coverage					\$250,000

Defense is a Supplementary Payment in addition to the policy limit.

Applicable to All Coverages

Notice of Cancellation	30 Days
Notice of Cancellation for Non-Payment of Premium	10 Days

Notes to Attached Automobile Coverages:

Form: ISO Simplified Auto Policy will be used in all states.

Uninsured/Underinsured Motorists:

See UM/UIM Selection/Rejection Summary Form (UCA309H) for coverages and limits applicable, sent under separate cover. Please refer to the UM/UIM Selection/Rejection Summary form packet and wording below, as it contains information regarding the insured's obligation to Zurich if the insured fails to return the signed Selection/Rejection Summary form and the mandatory state-specific Selection/Rejection forms.

The premium reflected under the Automobile Liability policy in this proposal is based on Rejected/Minimum Mandatory Coverage for Uninsured/Underinsured Motorist coverage. The Insured will receive specific Uninsured/Underinsured Motorists Coverage Selection/Rejection and Limits Options forms including a summary selection form. The Insured's signature on the summary form will serve as the Insured's agreement that the Insured has read and understands each state-specific form and that the selections or rejections marked on the state forms have been accepted by the Insured.

As each state has specific laws and regulations governing the appropriate method for obtaining the Insured's approval for the Uninsured/Underinsured Motorists Coverage, the summary form will indicate with an asterisk (*) those states where the first named insured must sign that state's selection/rejection form.

The laws in a number of jurisdictions require that the Insured make their selection/rejection prior to policy issuance. Should the Insured fail to return the signed Uninsured/Underinsured Motorist (UM/UIM) Selection/Rejection Summary Form and required state-specific forms **prior** to the policy inception date(s), the Automobile Liability policy may be issued with coverage limits imposed by operation of state law. In such event, the Insured agrees that they shall reimburse the Company for the payments made on UM/UIM claims. The amount of the Insured's reimbursement obligation shall be equal to the amount of loss paid in excess of the UM/UIM limits shown in the Automobile Liability Limits section of this proposal.



Coverages or Exclusions	Form Number	Fill In Language
Business Auto Coverage Form	CA 00 01 (03/10)	
Virginia Changes - Business Auto Coverage Form	CA 01 16	
Uninsured Motorist	Various State Forms	
Underinsured Motorist	Various State Forms	
Personal Injury Protection	Various State Forms	
Cancellation By Us	U GU 298 CW	
Hired Autos Specified as Covered Autos You Own	CA 99 16	"All autos hired under a written agreement whose terms extend for 6 months or longer."
Lessor - Additional Insured and Loss Payee	CA 20 01	Additional Insured (Lessor): "Only those where required by written contract." Description of "Leased Autos": "Only those where required by written contract."
Nuclear Energy Liability Exclusion	IL 00 21	
Silica Or Silica-Related Dust Exclusion For Covered Autos Exposure	CA 23 94	
Deductible Endorsement		
Limited Mexico Coverage	CA 01 21	
Calculation of Premium	IL 00 03	
Premium and Reports Agreement - Composite Rated Policies	U CA 411 CW	

Coverage for Automobile Physical Damage is provided on a fronted basis with a \$250,000 Limit subject to a \$250,000 Deductible.



**POLICYHOLDER NOTICE
FOR
RETROSPECTIVELY RATED POLICIES**

Your insurance policies are being priced under a retrospective rating plan which includes the Large Risk Alternative Rating Option (LRARO).

The Large Risk Alternative Rating Option provides that a risk may be retrospectively rated as mutually agreed upon by carrier and insured. It is an available option for risks that meet the annual standard premium requirement for Workers Compensation individually or in any combination with General Liability, Hospital Professional Liability, Commercial Automobile, Crime, Glass or Workers Compensation.

TERRORISM DISCLOSURE NOTICE FOR WC

THIS DISCLOSURE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER ANY POLICY.

**DISCLOSURE OF IMPORTANT INFORMATION
RELATING TO TERRORISM RISK INSURANCE ACT**

SCHEDULE*

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

\$4,543

*Any information required to complete this Schedule, if not shown above, will be shown in the quote or proposal.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government may pay a share of insured losses resulting from an act of terrorism. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the insurer retention. The insurer retention equals 20% of the insurer's prior calendar year direct earned premium associated with lines of insurance subject to TRIA. TRIA is scheduled to expire on December 31, 2014.

C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a Program Year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

D. Availability

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

E. Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to human life, property or infrastructure;
3. to have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an "act of terrorism" if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.



TERRORISM DISCLOSURE FOR AUTO

THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

NOTICE REGARDING TERRORISM PREMIUM (FOR COMMERCIAL AUTOMOBILE INSURANCE)

SCHEDULE*

Premium attributable to risk of loss resulting from terrorism for the Commercial Automobile line of insurance:

Included

*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Terrorism Risk Insurance Act ("TRIA")

The Commercial Automobile line is not part of TRIA. On December 22, 2005, the President of the United States signed the first TRIA extension act into law and, at that time, the Commercial Auto line was removed from the program. The federal government does not share in Commercial Automobile terrorism losses.

B. Disclosure of Terrorism Premium

We have elected to provide notice to you of the amount of the total policy premium attributable to the risk of loss from terrorism for the Commercial Automobile line of insurance.

**Premium Surcharges****Workers Compensation**

State	Description	Assmt./Surch.	Estimated Charge
CA	CA Insurance Guarantee Association	0.020000	\$3,163
CA	CA WC Fraud Assessment	0.003881	\$614
CA	CA User Funding	0.013704	\$2,167
CA	CA Uninsured Employers Benefit Trust Fund	0.003410	\$539
CA	CA Subsequent Injuries Benefits Trust Fund	0.001707	\$270
CA	CA Occupational Safety & Health Fund	0.002859	\$452
CA	CA Labor Enforcement & Compliance Fund	0.002747	\$434
CT	CT Second Injury Fund	0.027500	\$2,669
CT	CT Assessment Fund	0.012000	\$1,148
GA	GA Insurers Insolvency Pool WC Surcharge, Co 02 AZ	0.000000	\$0
IL	IL Industrial Commission Operations Fund	0.010100	\$832
ME	ME Fresh Start Assessment	0.000000	\$0
ME	ME WC Board Admin Fund	0.025400	\$6
ME	ME Supplemental Benefits Fund	0.000000	\$0
NJ	NJ Second Injury Fund	0.067600	\$7,210
NJ	NJ Uninsured Employers Fund Surcharge	0.000000	\$0
NY	NY State Assessment	0.188000	\$7,166
NY	NY Security Fund Surcharge	0.000000	\$0
PA	PA Employer Assessment Surcharge	0.026200	\$1,530
TX	TX Maintenance Tax Surcharge	0.000000	\$0
VA	VA Birth-Related Neurological Injury Comp Fund	0.002500	\$39
Total			\$28,239



Automobile Liability

State	Description	Assmt./Surch.	Exposure Basis	Estimated Charge
AZ	AZ Auto Theft Authority Fee	1.000000	14	\$14
CA	CA Insurance Guarantee Association	0.000000	31,514	\$0
CA	CA AUTO SPECIAL PURPOSE SURCHARGE	1.800000	39	\$70
FL	FL Hurricane Catastrophe Fund	0.013000	23,678	\$308
MI	MI Catastrophe Claims Surcharge	197.230000	30	\$5,917
NJ	NJ Prop Liab Ins Guar Assoc Surcharge	0.009000	7,627	\$69
NY	NY Motor Vehicle Law Enforcement Fee	10.000000	3	\$30
SC	SC Recoupment Surcharge	0.000000	7,627	\$0
SC	SC Uninsured Motorist Enforcement Fee	2.000000	0	\$0
TX	TX Auto Theft Prevention Authority	2.000000	20	\$40
VA	VA Birth-Related Neurological Injury Comp Fund	0.002500	17,768	\$44
Total				\$6,492

Automobile Physical Damage

State	Description	Assmt./Surch.	Exposure Basis	Estimated Charge
FL	FL Hurricane Catastrophe Fund	0.010000	1,189	\$12
NJ	NJ Prop Liab Ins Guar Assoc Surcharge	0.009000	99	\$1
SC	SC Recoupment Surcharge	0.000000	317	\$0
TX	TX Volunteer Fire Dept Assistance Fund	0.002000	703	\$1
Total				\$14

Premium Surcharges:

The Premium Surcharges are estimates. The Premium Surcharge is payable by the Insured and is subject to adjustment based on any jurisdiction where exposure exists or develops under the policy. The Insured is obligated to pay additional amounts that are due as stated in the premium audit billing and at each Retrospective Premium Adjustment (if applicable). If any state should require a new assessment or surcharge, or change the basis upon which an assessment or surcharge is calculated after the program effective date, the Insured will be billed for Premium Surcharges according to applicable regulatory or statutory requirements.

Michigan Catastrophic Claims Surcharge, if any, will not be included within the Assessments/Surcharges and will be charged within the Automobile Liability premium.

Other Special Charges

Other Special Charges shall include, but are not limited to, additional taxes, additional Premium Surcharges, additional premium and loss assessments, and administrative, statutory or court-ordered fines or penalties not the result of the Company's negligence. Other Special Charges shall also include any expenses the Company incurs to collect from the Insured amounts past due. The Insured will be billed for Other Special Charges at the time the Company issues the premium audit billing for Deductible Policy(ies) and, for the Retrospective Premium Policy(ies), at the time the Company issues each Retrospective Premium Adjustment billing unless otherwise required by law. The Company will provide the Insured with information about the purpose of the charges and the amount of the charge.

Loss Based Assessments

State	Base of Assessment	LBA Rate
AK	Paid Loss	0.0600
AL	Paid Loss	0.0069
DC	Paid Loss	0.1270
DE	Paid Loss	0.0430
ID	Paid Loss	0.0170
KS	Paid Loss	0.0350
LA	Paid Loss	0.0760
ME	Paid Loss	0.0090
MI	Paid Loss	0.0140
USL&H	Paid Loss	0.0670

Paid-Bundled:

The Insured will be billed at each Loss Billing. Actual LBA charges will be computed by multiplying WC Losses within the Deductible Amount(s) by the applicable state LBA rate.



Collateral Requirements

	<u>Total Amount of Collateral</u>
Form of Collateral	LOC
Total Collateral Needed:	\$1,638,000

The Letter of Credit must be in place no later than 05/01/2013.

The required Collateral Amount is due on or before the inception date. The LOC must be clean, irrevocable, unconditional and contain an Evergreen Clause (automatically renewable) including thirty (30) days notice of intent not to renew. The LOC must be for an initial minimum term of 12 months from date of issuance, and issued by a bank which is on the most recent Zurich Approved Bank List. If the issuing bank is subsequently removed from the Zurich Approved Bank List, the insured must provide the company with a replacement LOC issued by an approved bank upon the earliest of the following events: expiration; extension; renewal; modification; or amendment of the LOC.

In the event of a Default or a material change in the Insured's financial condition, the Company may, at its option, terminate the financing portion of the Program. The amount immediately due and payable to the Company will be determined by the Company using either of the following options: (1) all of the Insured's obligations under the Agreement calculated using the most recent incurred loss valuation times the applicable LDF determined by the Company at their sole discretion at the time of termination; or, (2) the full Standard Premium by converting the Program to a guaranteed cost rating plan using the Company's manual rates in effect as of the Program effective date.

Collateral Adjustment

The amount of the Collateral, or any replacement thereof may be adjusted from time to time at the sole option of the Company. An amendment to the LOC for any increase or decrease in the amount is required within thirty (30) days of the Company's request.

The Insured will be required to provide audited financial statements annually or upon the Company's request.

The adjustment of the Collateral will include, but not be limited to: The sum of the Ultimate Retrospective Premium less amounts billed for deposits, audits and Retrospective Premium Adjustments, plus the sum of the Deductible Incurred Losses within the Deductible Amount(s), plus Incurred ALAE multiplied by the applicable LDF, plus ULAE, plus LBA, less payments received for Loss Reimbursement Fund deposit and adjustment billings.



Sample Letter of Credit Form

(Name of Bank)

(Address)

Issue Date _____

Irrevocable Clean Letter of Credit No. _____

To Beneficiary: Zurich American Insurance Company
1400 American Lane
Tower 2, Floor 11
Schaumburg, IL 60196-1056
Attn: Direct Collateral Unit

We have established this clean, irrevocable, and unconditional (except as expressly stated herein) Letter of Credit in your favor as Beneficiary for drawings up to U.S. \$ _____ effective immediately. This Letter of Credit is issued, presentable and payable at our office at (*issuing bank address*) and expires with our close of business on _____. Except when the amount of this Letter of Credit is increased, this Credit cannot be modified or revoked without your consent.

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary including, without limitation, any liquidator, rehabilitator, receiver, or conservator.

We hereby undertake to promptly honor your sight draft(s) drawn on us, indicating our Credit No. _____, for all or any part of this Credit upon presentation of your draft drawn on us at our office specified in paragraph one on or before the expiration date hereof or any automatically extended expiry date.

Except as expressly stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of (*issuing bank*) under this Credit is the independent obligation of (*issuing bank*) and is in no way contingent upon reimbursement with respect thereto, or upon our ability to perfect any lien, security interest or any other reimbursement, or upon the Beneficiary establishing in the event of the Applicant's bankruptcy, that all or any part of the Credit drawn upon is an actual, necessary cost or expense of preserving the Applicant's bankruptcy estate.

This Letter of Credit is deemed to be automatically extended without amendment for one (1) year from the expiration date or any future expiration date, unless thirty (30) days prior to such expiration date, we notify you by Registered Mail that this Letter of Credit will not be renewed for any such additional period.

This Letter of Credit is subject to and governed by the Laws of the State of New York and the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (*Publication No. 600*) and in the event of any conflict, the Laws of the State of New York will control. If this Credit expires during an interruption of business as described in Article 36 of said Publication No. 600, notwithstanding anything to the contrary in Publication No. 600 the bank hereby specifically agrees to effect payment if this Credit is drawn against within thirty (30) days after the resumption of business.

Very truly yours,



General Terms and Conditions

This Final Confirmation supersedes and replaces all prior communications, proposals, and negotiations between the Company and Insured. In the event of any conflict, inconsistency, or ambiguity between this Final Confirmation and any prior Final Confirmation, this Final Confirmation shall control.

Payment Terms:

All payments, including but not limited to deposit and installment premiums, audit invoices and loss billings are due and payable within twenty (20) days from the date of billing and must be paid outside the account current. The payment mailing address shall be, unless otherwise indicated on the invoice:

Zurich North America
8745 Paysphere Circle
Chicago, Ill. 60674

The issued policy premium may vary slightly from the premiums contained in this document based on final exposure and rate variations.

Past due payments, including payments in dispute, may be subject to a late charge due and payable to the Company unless the Company has waived, in writing, its rights to the late charge. The late charge will consist of interest accruing on the late payment as of the date the payment was due.

Premium Audit Requirements:

An audit for the policy(ies) will be conducted in accordance with the provisions of the policy(ies). The adjustable elements as stated in the Non Policy Agreement will be adjusted based on the audited exposures. The Insured will pay any additional amounts due the Company or the Company will pay any amounts due the Insured as stated on the invoice.

Non Policy Agreement:

The Non Policy Agreement outlines the rights and obligation of the Company and the Insured. The Non Policy Agreement must be signed by the Insured and returned to the Company based on the "Due Date" as described in "Documents Required" section of the Program Summary. The Non Policy Agreement form for the Insured's program is available upon request. Certain provisions in this document are more explicitly outlined in the Non Policy Agreement.

Arbitration:

Any dispute arising out of the existence, validity, interpretation, performance, termination or alleged breach of the Non Policy Agreement(s) shall be referred to binding arbitration administered by the American Arbitration Association (AAA) under its Commercial Arbitration Rules in effect as of the time the dispute arises, and the following procedures:

The panel shall be made up of three arbitrators with specific rules regarding the selection of the arbitrators;

Arbitration shall take place in Schaumburg, Illinois;

No award in excess of compensatory damages; and

Each party to pay the expense of its own arbitrator, counsel and witnesses and equally pay the expenses of the third arbitrator and any other expenses of the arbitration proceeding.

Retrospective/Deductible Rating Selection Forms:

Upon acceptance of the Company's proposal, state mandated selection forms will be sent to the Insured. These forms must be signed by the Insured and returned to the Company within fifty (50) days of the effective date of coverage.

If the signed forms are not returned to the Company within fifty (50) days of the effective date so the Company can submit them to the states, the Company may, at its sole option, revert the insurance program to Guaranteed Cost effective as of the policy inception.



Retrospective Formula:

The Earned Retrospective Premium is the sum of the [(((Incurred Losses + Incurred ALAE) x any applicable LDF x LCF) or plus Claim Handling Fees + Basic Premium) x Tax Multiplier]. The Retrospective Premium will not be less than the Minimum Retrospective Premium nor more than the Maximum Retrospective Premium.

Retrospective Premium Calculations:

The Company will calculate a Retrospective Premium Adjustment beginning with losses valued 18 after the policy effective date and, at a minimum, annually thereafter. Each Retrospective Premium Adjustment will be calculated based on: The sum of: Earned Retrospective Premium (ERP), plus audited Excess Premium, plus audited Terrorism Premium and CAT Premium, plus Premium Surcharges and Other Special Charges. The details associated with the calculation of the Retrospective Premium Adjustment billing described in the Non Policy Agreement.

ALAE Definition:

Allocated Loss Adjustment Expense ("ALAE") is an expense directly allocable to a specific claim and shall include but not be limited to all Supplementary payments as defined under the policy(ies); all court costs, fees and expenses; all costs, fees and expenses for all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, copies of any public records; alternative dispute resolution; interest; investigative services, non-employee adjusters, medical examinations, autopsies, medical cost containment; declaratory judgment, subrogation and any other fees, costs or expenses reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or a loss under the policy(ies).

ALAE Handling Options:

ALAE will be handled and paid as follows and the Insured is obligated to reimburse the Company for ALAE even if there is no indemnity payment.

Included

ALAE is included within the Deductible(s)/Loss Limit(s) under the policy(ies) and is reimbursed to the Company by the Insured up to the Deductible(s)/Loss Limit(s). The Company pays the ALAE excess of the Deductible/Loss Limit.

Paid Loss Billing-Bundled or Zurich funds TPA:

The Insured is obligated to pay the Company for all Paid Loss billings and the Insured will be billed after the close of the calendar Month following the effective date of the policy(ies) and each subsequent calendar Month.

If the Paid Loss Billings convert to an Incurred Loss Billing, the Insured will be billed for incurred losses on the conversion date and annually thereafter.

Loss Fund-Bundled or Zurich funds TPA:

Loss Fund is a non-interest bearing account where the Insured's funds are held by the Company to provide for the payment of the Insured's obligations within the Deductible/Loss Limit(s) under the policy(ies) prior to the Insured reimbursing the Company. The initial amount of the Loss Fund is stated in the Program Summary. The Company reserves the right to adjust the amount of the Loss Fund at any time, but at a minimum annually. The formula for adjustment of the Loss Fund amount is stated in the Non Policy Agreement.



Customer Services

At Zurich, our commitment to superior service goes far beyond concluding claims fairly and quickly. We recognize that 80% of your premium dollars go directly to “loss costs” – the actual cost of your loss, once it occurs. That is why we are committed to managing the cost of your claims.

We took an aggressive approach to this matter and developed many cost containment programs that can be tailored to your specific needs.

Our programs are designed to improve control over your losses so we can help you close claims for less money.

To begin the process, is to report a claim, and Zurich's toll-free **Claim Reporting Center** is available 24 hours a day/7 days a week. Claims can be reported via phone, fax, email or via the Internet. There is no fee associated with this benefit.

Zurich offers a dedicated **Account Service Representative** who will guide you through the transition phase and who will assist you in all matters of Service installation. These include establishing your account specific **Customer Protocols**. Your Protocols may include such items as your reporting structure, pre-settlement discussions, early return to work requirements, customer contact requirements, acknowledgment instructions, as well as many other items that may be of particular interest or concern to you. This person will also shepherd your services transition plan making certain that

- *Customer Protocols are entered into the system within 72 hours of your agreement
- *Notify the Claim Reporting Center and all Claim offices within 24 hours of receiving an order
- *Enter your specific location code structure within 72 hours of receipt from you
- *Coordinate contact to your locations with reporting information at your direction
- *Negotiate your file review needs – fees may apply

Claim management consists, but is not limited to the following areas. Further information on these or any Zurich initiatives is available upon request.

Claim Management

- | | | |
|---------------------------|-------------------------------|-------------------------------|
| ● Designated Adjusters | ● Prompt Assignment | ● Field Staff Experience |
| ● Quality Assurance Teams | ● Special Investigative | ● Subrogation/Recovery Center |
| ● Litigation Management – | ● Unit/Fraud | ● Major Case Unit |
| Litigation Managers | ● Large Case Reviews – Head | ● Staff Counsel/Field Legal |
| Nationwide | ● Office Large Loss Committee | ● ADR – Alternative Dispute |
| ● Structured Settlements | ● Mock Trials | Resolution |



Services Included in Claim Handling Services

First Notice of Claim Reporting (1-800 reporting)	Included
First Report of Injury Filed with Respective State Agency	Included
Customer Specific Claim Handling Instructions	Included
Stewardship Reports*	Included
Account Management	Included
Introduction Kits to Each Location	Included
PPO Listings	Included
Quality Assurance Program Oversight	Included
Major Case Unit Involvement on High Dollar Cases (WC and Auto)	Included
Catastrophic Loss Response	Included
Structured Settlements	Included
Litigation Plan Development	Included
Case Summaries	Included
Technical Handling Audits	Included
Reserve Advisories*	Included
Pre-settlement Advisories*	Included
1099 Reports	Included
Claim Acknowledgements	Included
Closing Notices	Included
Account Setup	Included
Claim Reviews*	Included
Claim Intake Center Service Fees	Included

*Level of Service provided may vary, based on individual customer needs.

Certain services listed above may be further subject to the "Continuation of Services" section of this document.

Medical Cost Containment Programs
Certain of these programs are fee based

- Certified state MCO/MCA programs
- Preferred Provider Organizations
- National Chiropractic Review
- Pre-admission Certification – Continued Stay Review
- CARE – (Comprehensive, Accurate, Reliable, Efficient) Website provider directory
- Rehabilitation Management Program – Vocational/Medical
- Medical Bill Review
- Utilization Review
- Cypress Care Pharmacy Program
- Early Intervention
- Return to Work Program – “Partners for a Productive Return to Work”
- Drug Free Workplace
- Nadent (Dental Management)
- Hospital Bill Audits – Post Care Audits
- Catastrophic injury management



**Managed Care Service Fees
Workers Compensation**

<u>Service</u>	<u>Service Fees*</u>
<u>Medical Cost Management</u>	
Bill Review and PPO	25% of Total Savings
Complex Bill Review/Negotiated Savings	25% of Total Savings
Fee Cap	\$25,000 Per Bill
Pharmacy	25% of Total Savings
Issuing manual checks for customized program	\$20.00 Per Check
<u>Health Care Management</u>	
Catastrophic Injury Program, Telephonic & Field Case Management	
AK, CA, HI, NY	\$120 Per Hour
All other States	\$105 Per Hour
Vocational Rehabilitation & Job Analysis	
AK, CA, HI, NY	\$120 Per Hour
All other States	\$105 Per Hour
Utilization Review	
Pre-Certification -outpatient	\$115 Per Event
Pre-Certification -inpatient	\$130 Per Event
Concurrent or Retrospective review	\$105 Per Hour
Peer Review Level One	\$245 Per Event
Peer Review Level Two	\$245 Per Hour
Nurse Assisted Provider Panels (average panel takes approximately one hour)	\$105 Per Hour
Mileage will be paid according to the federal mileage reimbursement rate	

Service fees subject to change

Managed care services may be provided by our affiliate company Zurich Services Corporation at other than cost. Sales tax will apply to qualifying services.



**Managed Care Service Fees
Non Workers Compensation**

<u>Service</u>	<u>Service Fees*</u>
<u>Medical Cost Management</u>	
Bill Review and PPO	25% of savings
Fee Cap	\$25,000 Per Bill
Complex Bill Review/Negotiated Savings	25% of Total Reduction
Pharmacy	25% of savings
Issuing manual checks for customized program	\$20.00 Per Check
<u>Health Care Management</u>	
Catastrophic Injury Program, Telephonic & Field Case Management	
AK, CA, HI, NY	\$120 Per Hour
All other States	\$105 Per Hour
Vocational Rehabilitation & Job Analysis	
AK, CA, HI, NY	\$120 Per Hour
All other States	\$105 Per Hour
Utilization Review	
Pre-Certification -outpatient	\$115 Per Event
Pre-Certification -inpatient	\$130 Per Event
Concurrent or Retrospective review	\$105 Per Hour
Peer Review Level One	\$245 Per Event
Peer Review Level Two	\$245 Per Hour
Nurse Assisted Provider Panels (average panel takes approximately one hour)	\$105 Per Hour
Mileage will be paid according to the federal mileage reimbursement rate	

Service fees subject to change

Managed care services may be provided by our affiliate company Zurich Services Corporation at other than cost. Sales tax will apply to qualifying services.

Recovery Services

ZSC/Recovery Services consist of seven regional recovery hubs providing multi-line commercial recovery services on a domestic and international basis. Front-end data mining, fully dedicated personnel, recovery panel counsel, forensic engineering and other leveraged programs assist in driving results. Zurich Recovery Services will charge seventeen percent (17%)* of the gross amount recovered from the third parties responsible for the loss. If a recovery is not produced, a fee will not be earned. Associated expense in pursuit of recovery will be charged to the claim file.

Continuation of Services

Certain services will change to a standard arrangement if your insurance program should move to another carrier (non-renewal/termination).

Upon the non-renewal/termination of your program with Zurich, the coordination of these "ongoing" services as well as the underwriting responsibilities for your account will be transferred to a centralized unit in our Schaumburg, IL. Office, which specializes in managing and servicing our "inactive" customers. This unit is equipped to handle all of your underwriting and servicing needs and/or issues. Shortly after your non-renewal/termination, you will be contacted directly by this unit in order to establish ongoing service levels for your account. Some of these service levels may be subject to annual fees. For example:

- RMIS service offerings are charged annually, should you wish to continue these services, ongoing fees will need to be established.
- Upon request and for no additional fee, you are entitled to a single telephonic file review of no more than 50 open claims for claims that carry a net incurred value of \$25,000 or higher anytime during the first year after the non-renewal/termination date.
- Financial Claim Consultation amounts for both claim reserves and claim settlements will be set at \$25,000, or per the current Claim Handling Protocols, whichever is higher.

Additional information is available upon request.

Exhibit 3

Cash Management Motion

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

----- X
:
:
In re: : Chapter 11
:
:
SYNAGRO TECHNOLOGIES, INC., et al., : Case No. 13-11041 (BLS)
:
:
Debtors.¹ : (Joint Administration Pending)
:
:
----- X

DEBTORS’ MOTION FOR ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 105(a), 345(b), 363, AND 503(b), BANKRUPTCY RULES 6003 AND 6004, AND LOCAL BANKRUPTCY RULE 2015-2 (I) AUTHORIZING CONTINUED MAINTENANCE OF PREPETITION BANK ACCOUNTS AND PAYMENT OF RELATED PREPETITION OBLIGATIONS, (II) AUTHORIZING CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM, (III) AUTHORIZING CONTINUED USE OF EXISTING BUSINESS FORMS, AND (IV) AUTHORIZING THE CONTINUATION OF, AND ACCORDANCE OF ADMINISTRATIVE EXPENSE PRIORITY STATUS TO, INTERCOMPANY TRANSACTIONS

Synagro Technologies, Inc. and certain of its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors” and, together with the non-debtor affiliates and subsidiaries of Synagro Technologies, Inc., “Synagro” or the “Company”), hereby move (the “Motion”) this Court for entry of an order, under sections 105(a), 345(b), 363, and 503(b) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2015-2 of the

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Drilling Solutions, LLC (9935); Earthwise Organics, LLC (5458); Environmental Protection & Improvement Company, LLC (2397); NETCO - Waterbury, LP (5202); New Haven Residuals, LP (2758); New York Organic Fertilizer Company (8694); Providence Soils, LLC (9061); Soaring Vista Properties, LLC (4015); South Kern Industrial Center, LLC (2099); ST Interco, Inc. (4897); Synagro - Connecticut, LLC (5532); Synagro - WCWNJ, LLC (0817); Synagro - WWT, Inc. (0492); Synagro Central, LLC (2568); Synagro Composting Company of California, LLC (7671); Synagro Detroit, LLC (1107); Synagro Drilling Solutions, LLC (4598); Synagro-Hypex, LLC (2544); Synagro Management, LP (4546); Synagro Northeast, LLC (2564); Synagro of California, LLC (8598); Synagro of Minnesota - Rehbein, LLC (7969); Synagro of Texas - CDR, Inc. (8566); Synagro Product Distribution, LLC (4357); Synagro South, LLC (2567); Synagro Technologies, Inc. (9860); Synagro Texas, LLC (4372); Synagro West, LLC (2566); Synagro Woonsocket, LLC (1634); Synatech Holdings, Inc. (5544). The Debtors’ address is 1800 Bering Drive, Suite 1000, Houston, Texas 77057.



Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Bankruptcy Rules”) (i) authorizing, but not directing, the Debtors to continue to maintain existing bank accounts, authorizing a waiver of certain operating guidelines relating to bank accounts, and authorizing, but not directing, the payment of related prepetition obligations; (ii) authorizing, but not directing, the Debtors to continue to use their existing cash management system; (iii) authorizing, but not directing, the Debtors to continue to use existing Business Forms (as defined below); and (iv) authorizing the continuation of certain Intercompany Transactions (as defined below), and accordance of administrative expense priority status to related postpetition Intercompany Claims (as defined below). In support of the Motion, the Debtors rely upon and incorporate by reference the Declaration of John R. Castellano, the Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Pleadings (the “First Day Declaration”), filed with the Court concurrently herewith. In further support of the Motion, the Debtors, by and through their proposed undersigned counsel, respectfully represent:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.
2. The legal predicates for the relief requested herein are Bankruptcy Code sections 105(a), 345(b), 363, and 503(b), Bankruptcy Rules 6003 and 6004, and Local Bankruptcy Rule 2015-2.
3. Pursuant to Rule 9013-1(f) of the Local Bankruptcy Rules, the Debtors consent to the entry of a final judgment or order with respect to this Motion if it is determined

that Court would lack Article III jurisdiction to enter such final order or judgment absent the consent of the parties.

BACKGROUND

A. The Chapter 11 Cases

4. On April 24, 2013 (the “Petition Date”), the Debtors each commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). The Debtors have requested that the Chapter 11 Cases be jointly administered.

5. The Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. To date, no creditors’ committee has been appointed in these Chapter 11 Cases by the United States Trustee. No trustee or examiner has been appointed in the Debtors’ Chapter 11 Cases.

B. The Debtors’ Business

7. Synagro—including the Debtors and their Non-Debtor Affiliates—is the largest recycler of biosolids and organic residuals in the United States and is one of the largest national companies focused exclusively on biosolids recycling, which has a market size of approximately \$2 billion. In particular, Synagro offers a broad range of water and wastewater residuals management services focusing on the beneficial reuse of organic, nonhazardous residuals, including solid or liquid material generated by municipal wastewater treatment or residuals management facilities, known as biosolids.

8. The Company’s operations are divided into four primary divisions—Facilities, Services, Rail, and Drilling. Currently, the Company has nine heat-drying and

pelletization facilities, three composting facilities, and three incineration facilities located throughout the country (collectively, the “Facilities”). In addition to services provided at its Facilities, the Company’s Services division provides biosolids treatment services to municipal and industrial customers at facilities owned by such customers. These services include: (i) residuals dewatering services through permanent and mobile dewatering units, (ii) cleaning and maintenance of the digesters and lagoons at municipal and industrial wastewater facilities and agricultural land application or landfilling of the removed biosolids, (iii) alkaline stabilization through the Company’s BIO*FIX process, (iv) collection and transportation of removed residuals via the Company’s fleet of tankers to either a land application site, a landfill, or one of the Company’s residuals processing facilities, (v) recycling of biosolids through agricultural land application programs in 25 states, and (vi) provision of Synagro’s proprietary Residuals Management System. The Company’s newly-acquired Drilling division provides sustainable, closed-loop solids control and waste management expertise to oil and gas exploration and production companies. Finally, the Company provides an intermodal rail transportation service through its Rail division, employing an extensive fleet of rail cars and intermodal containers to transport both non-hazardous and hazardous materials including biosolids, contaminated soils, municipal solid waste and coal combustion byproducts.

C. Events Leading to the Chapter 11 Cases

9. In early and mid-2012, Synagro recognized that that it likely would not satisfy its leverage ratio covenants under its first lien and second lien credit agreements (the “First Lien Credit Agreement” and “Second Lien Credit Agreement” respectively, and together, the “Prepetition Credit Facilities”) in upcoming quarters due to several factors. These factors include, among other things, a challenging operating environment in late 2011 and early 2012, a reduction in the permitted total leverage ratio under the First Lien Credit Agreement, and the

discontinuation of a government program providing for credits in the form of cash payments to entities which utilized alternative liquid fuels. In light of these issues, the upcoming maturity of its first lien revolver facility under the First Lien Credit Agreement in April of 2012 and the generally over-leveraged state of the Company, Synagro retained restructuring advisors and commenced negotiations with the its lenders under the First and Second Lien Credit Agreements (the “First Lien Lenders” and “Second Lien Lenders” respectively, and together, the “Prepetition Lenders”) regarding a restructuring of its credit facilities.

10. In late 2012, the Company determined that it had not satisfied certain of its financial covenants under the Prepetition Credit Facilities. To address these defaults, in December of 2012, the Company entered into temporary waivers with the First Lien and Second Lien Lenders, waiving all defaults until February 28, 2013, which period was later extended to July 19, 2013.

11. During the waiver period, and in accordance with the requirements of the first lien waiver, the Company, with the assistance of its advisors, commenced and conducted a comprehensive sale process, approaching over 100 potentially interested parties. During that process, EQT Infrastructure II (“EQT”) clearly emerged as the lead bidder, offering the highest value for the assets of the Company. For a variety of reasons, the Company recognized that the sale would likely have to be effectuated through a bankruptcy process. Accordingly, the Company negotiated an asset purchase agreement with EQT whereby STI Infrastructure Company, Inc., a subsidiary of EQT, would serve as stalking horse bidder. The Company executed the asset purchase agreement on April 23, 2013. Accordingly, the Debtors filed these Chapter 11 Cases to effectuate a sale to EQT or another bidder presenting a higher or otherwise

better offer. The Debtors anticipate that consummation of the sale will enable them to delever their balance sheets and emerge as a stronger company.

RELIEF REQUESTED

12. By this Motion, the Debtors seek entry of an order, pursuant to Bankruptcy Code sections 105(a), 345(b), 363(c), and 503(b) (i) authorizing, but not directing, the Debtors to continue to maintain existing bank accounts, authorizing a waiver of certain operating guidelines relating to bank accounts set forth in the U.S. Department of Justice, Office of the United States Trustee: Guidelines for Debtors-in-Possession (the “U.S. Trustee Guidelines”) as adopted by the U.S. Trustee, and authorizing, but not directing, the payment of related prepetition obligations; (ii) authorizing, but not directing, the Debtors to continue using their existing cash management system; (iii) authorizing, but not directing, the Debtors to continue using existing Business Forms; and (iv) authorizing, but not directing, the continuation of Intercompany Transactions and accordance of administrative expense priority status to postpetition Intercompany Claims.

13. For the reasons set forth herein, the Debtors submit that the relief requested herein is in the best interest of the Debtors, their estates, creditors, stakeholders, and other parties in interest, and therefore, should be granted.

BASIS FOR RELIEF

A. Cash Management System and Bank Accounts

14. Pursuant to Bankruptcy Code sections 105(a), 345(b), and 363(c), the Debtors seek authorization to maintain their existing bank accounts and continue using their existing cash management system (the “Cash Management System”). The Debtors’ Cash Management System facilitates reporting, monitors collection and disbursement of funds, reduces administrative expenses by facilitating the movement of funds and the development of

more timely and accurate balance and presentment information, and administers the various Bank Accounts (as defined below) required to effect the collection, disbursement, and movement of cash. A flow chart that depicts the Debtors' Cash Management System is attached hereto as Exhibit A.

15. Prior to the commencement of these Chapter 11 Cases, and in the ordinary course of their businesses, the Debtors maintained four bank accounts, out of which they managed cash receipts and disbursements (the "Bank Accounts"). Except for the Petty Cash Account (as defined below), which is maintained at Wells Fargo, N.A. ("Wells Fargo") each of the Bank Accounts are maintained at Bank of America, N.A. or one of its subsidiaries or affiliates ("BofA"). A list of Bank Accounts is attached hereto as Exhibit B. In addition, the Debtors' affiliated non-Debtor special purpose entities (the "SPEs") collectively maintain forty (40) additional bank accounts (the "SPE Accounts").

16. The Concentration Account. All of the Debtors' receipts are channeled into a concentration account (the "Concentration Account"), which is the heart of the Debtor's Cash Management System. The receipts deposited in the Concentration Account include all revenue from the Debtors' customer contracts and all borrowings from the Debtors' credit facilities. In addition, any cash receipts from the Debtors' non-Debtor subsidiaries other than the SPEs are deposited in the Concentration Account. Because the non-Debtor subsidiaries other than the SPEs are few in number and do not have active operations or generate substantial receipts, virtually all of the funds in the Concentration Account are attributable to the Debtor entities. As described above, the SPEs maintain separate bank accounts. Thus, receipts generated by the SPEs are not deposited into the Concentration Account.

17. The Disbursement Accounts. The Concentration Account is linked to two disbursement accounts (the “Disbursement Accounts”), and funds are automatically transferred from the Concentration Account to the Disbursement Accounts as needed for immediate payment. One of the Disbursement Accounts is a payroll account (the “Payroll Account”), through which the Debtors fund all of their payroll obligations (including payroll obligations to employees employed by, or who provide services to, certain affiliated non-Debtor subsidiaries). The other is a general disbursement account (the “Controlled Disbursement Account”) through which the Debtors fund all other accounts payable, excluding the accounts payable of the SPEs. The Disbursement Accounts are zero-balance accounts, meaning that they do not carry a balance.

18. The Petty Cash Account. The Debtors also maintain a petty cash account (the “Petty Cash Account”) to fund small expenditures. The Petty Cash Account is maintained at Wells Fargo and carries an average balance of approximately \$5,000.

19. The Debtors’ Cash Management System also includes certain bank products (the “Bank Products”), which are services and/or facilities offered by BofA to help the Debtors manage cash more effectively. For example, BofA provides a positive pay service by which all checks presented to BofA are cross-referenced to a list of approved payments furnished by the Debtors. In the postpetition period, the positive pay services will help the Debtors and BofA identify which checks should and should not be honored pursuant to this Court’s orders.

B. The Business Forms

20. In the ordinary course of business, the Debtors use a number of checks, business letterhead, purchase orders, invoices, envelopes, promotional materials, and other business forms and correspondence (collectively, the “Business Forms”). Because the Business Forms were used prepetition, they do not reference the Debtors’ current status as debtors in possession. Most parties doing business with the Debtors undoubtedly will be aware of the

Debtors' status as debtors in possession as a result of the publicity surrounding these Chapter 11 Cases, including a press release issued by the Debtors and the notice of commencement of the Chapter 11 Cases that has been or will be provided to parties in interest. As with the existing Cash Management System, requiring the Debtors to change existing Business Forms would unnecessarily distract the Debtors from their restructuring efforts and impose needless expenses on the estates.

21. The Debtors do not maintain pre-printed check stock; rather, the name of the payor entity is printed when the check is written. The Debtors will make reasonable best efforts to ensure that, within a reasonable period of time after the Petition Date, subsequently written checks bear the designation "Debtor in Possession" and their joint case number. However, configuring the Debtors' software such that checks written on behalf of all Debtor entities bear such designation, without printing such designation on checks of non-Debtor entities, may involve significant technical difficulties. Accordingly, the Debtors request relief from compliance with such requirement for sixty (60) days and request that any order be without prejudice to their right to seek additional relief from, or time to comply with, such requirement.

C. The Intercompany Transactions

22. In the ordinary course of business, the Debtors engage in various transactions relating to the business relationship between and among themselves and their non-Debtor affiliates (the "Intercompany Transactions"). The Intercompany Transactions are generally intended to reduce administrative costs and ensure the orderly and efficient operation of the Debtors' enterprise.

23. First, as with many large enterprises, the Company employs most of its employees at a single entity even though the employees perform work for other entities within the enterprise. More precisely, most of the Debtors and non-Debtors subsidiaries have assigned

their employees and related employee contracts and obligations to Debtor Synagro-WWT, Inc. (“WWT”), such that WWT is the employer of a substantial majority of the Company’s employees (the “Assignment and Assumption Agreements”);² WWT in turn leases the employees back to the appropriate entity (the “Employee Leasing and Services Agreements”).³ The Employee Leasing and Services Agreements also require WWT to provide certain management services (such as human resources services, legal services, IT services, and others) to the affiliate. These arrangements allow the Company to consolidate certain administrative functions, reduce overhead, and ultimately operate its business more efficiently.

24. For similar reasons, the Company has consolidated much of its sales and marketing operations within a single entity. Specifically, many of the Debtors and non-Debtor subsidiaries have entered into product distribution services agreements (“Distribution Agreements”) with Synagro Product Distribution, LLC (“Product Distribution”).⁴ Under the Distribution Agreements, the affiliates sell certain products to Product Distribution, which in turn markets and sells them to unaffiliated third parties. Like the employee arrangements described

² The entities that have engaged in this type of Intercompany Transaction with WWT include, without limitation, Philadelphia Renewable Bio-Fuels, LLC, Synagro Central, LLC, Synagro Management, LP, Synagro Northeast, LLC, Synagro of Texas-CDR, Inc., Synagro Organic Fertilizer Company of Sacramento, Inc., Synagro South, LLC, Synagro West, LLC, and Synagro-Hypex, LLC.

³ The entities that have engaged in this type of Intercompany Transaction with WWT include, without limitation, Synagro Drilling Solutions, LLC, Earthwise Organics, LLC, Netco-Waterbury, Limited Partnership, New Haven Residuals, Limited Partnership, Parsippany-Troy Hills Bio-Energy Center, LLC, Philadelphia Biosolids Services, LLC, Philadelphia Project Finance, LLC, Philadelphia Project Holding, Inc., Philadelphia Renewable Bio-Fuels, LLC, Providence Soils, LLC, Sacramento Project Finance, Inc., Soaring Vista Properties, LLC, South Kern Industrial Center, LLC, Synagro Central, LLC, Synagro Composting Company of California, LLC, Synagro Detroit, LLC, Synagro Management LP, Synagro Northeast, LLC, Synagro of California, LLC, Synagro of Minnesota-Rehbein, LLC, Synagro of Texas-CDR, Inc., Synagro Organic Fertilizer Company of Sacramento, Inc., Synagro Product Distribution, LLC, Synagro South, LLC, Synagro Technologies, Inc., Synagro Texas, LLC, Synagro West, LLC, Synagro Woonsocket, LLC, Synagro-Baltimore, LLC, Synagro-Connecticut, LLC, Synagro-Hypex, LLC, and Synagro-WCWNJ, LLC.

⁴ The entities that have engaged in this type of Intercompany Transaction with Product Distribution include, without limitation, Charlotte County Bio-Recycling Center, LLC, Philadelphia Renewable Bio-Fuels, LLC, Earthwise Organics, Organic Fertilizer Company of Sacramento, Inc., Parsippany-Troy Hills Bio-Energy Center, LLC, South Kern Industrial Center, LLC, Synagro Central, LLC, Synagro West LLC, Synagro-Baltimore, LLC, Synagro-Connecticut, LLC, Synagro-WCWNJ, LLLC, and Synagro-WWT, Inc.

above, the Distribution Agreements reduce overhead expenses and avoid the needless duplication of effort.

25. In exchange for the services performed under the Employee Leasing Services Agreements and the Distribution Agreements, WWT and Product Distribution, respectively, invoice the affiliates receiving the services at rates the parties agree to from time to time. The rates charged are commercially reasonable, and the affiliates settle such invoices in the ordinary course through the offset of intercompany receivables and payables.

26. In addition, in the ordinary course of business, the Debtors and their non-Debtor affiliates may engage in additional routine Intercompany Transactions. The Debtors anticipate that the Intercompany Transactions will continue postpetition in the ordinary course of business.

27. Because the Debtors engaged in the Intercompany Transactions on a regular basis prepetition and such transactions are common for enterprises like the Debtors, the Debtors believe that they may continue the Intercompany Transactions in the ordinary course, as contemplated by section 363(c)(1) of the Bankruptcy Code, without court approval. Nonetheless, out of an abundance of caution, the Debtors seek express authority to continue engaging in the Intercompany Transactions. Consistent with their prepetition practice, the Debtors maintain records of all transfers and can ascertain, trace and account for all Intercompany Transactions.

APPLICABLE AUTHORITY

A. The Court Should Authorize the Debtors to Maintain Their Existing Bank Accounts and Use Their Existing Cash Management System and a Waiver of any Requirement to Close Existing Accounts.

28. Although the Debtors maintain the Bank Accounts as part of an established Cash Management System, the U.S. Trustee Guidelines require that the Debtors, as

debtors in possession, take certain actions with respect to their prepetition Bank Accounts in order for the U.S. Trustee to supervise the administration of the Debtors' Chapter 11 Cases. As described in the U.S. Trustee Guidelines, the requirements are designed to draw a clear line of demarcation between prepetition and postpetition transactions and operations and prevent the inadvertent postpetition payment of prepetition claims. The Debtors submit, however, that a waiver of certain requirements is warranted.

29. Specifically, all of the Bank Accounts are with BofA or Wells Fargo, both financially stable banking institutions with FDIC insurance. Moreover, the U.S. Trustee has identified BofA and Wells Fargo as approved depositories for cases pending in this District. To protect against the unauthorized payment of prepetition obligations, the Debtors represent that, if they are authorized to continue to use the Bank Accounts, they will not pay, and BofA and Wells Fargo will be directed not to pay, any debts incurred before the Petition Date, other than as authorized by this Court.

30. Moreover, any new account that the Debtors open will be (a) with a bank that is (x) organized under the laws of the United States of America or any state therein, (y) is insured by the FDIC, and (z) has executed, or is willing to immediately execute, a Uniform Depository Agreement with the U.S. Trustee; and (b) designated a "Debtor in Possession" account by the relevant bank (any such bank, collectively with BofA and Wells Fargo, the "Banks"). Additionally, the Debtors will provide the U.S. Trustee with notice of any new accounts that are opened.

31. Enforcement of the U.S. Trustee's requirements here would cause enormous disruption in the Debtors' business and would impair the Debtors' efforts to maximize the value of their estates. Indeed, as explained in more detail above, the Bank Accounts

comprise an established cash management system that the Debtors must maintain to ensure collections and disbursements occur.

32. The Debtors' Cash Management System is highly automated and computerized. This allows the Debtors to centrally manage all of their cash flow needs and includes the necessary accounting controls to enable the Debtors, as well as creditors and the Court, to trace funds through the system and ensure that all transactions are adequately documented and readily ascertainable. While the Debtors' cases are pending, the Debtors will continue to maintain detailed records reflecting all transfers of funds.

33. Accordingly, in order to avoid delays in payments to administrative creditors, to ensure as smooth a transition into chapter 11 as possible, and to maximize the value of their estates, (a) the Debtors must be permitted to continue to maintain their existing Bank Accounts and open new and close existing accounts as needed; and (b) the requested relief must extend to any new accounts by providing that the new accounts are deemed to be Bank Accounts and are similarly subject to the rights, obligations, and relief granted by this Court.

34. Further, the Debtors request that the Banks be permitted to debit the Debtors' accounts in the ordinary course of business without the need for further order of this Court for: (a) all checks drawn on the Bank Accounts which are cashed at the Banks' counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; and (b) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to the Banks as service charges for the maintenance of the Debtors' Cash Management System. The Debtors further request that the Banks be restrained from honoring any check, draft, wire, or electronic funds transfer presented, issued, or drawn on the Bank Accounts on account of a prepetition claim unless (a) authorized in an order of this Court, as represented to the Banks by the Debtors

as set forth below; (b) not otherwise prohibited by a “stop payment” request received by the Banks from the Debtors; and (c) supported by sufficient funds in the Bank Account in question.

35. Both as part of this Motion and in other motions that have been concurrently filed, the Debtors are requesting authority to pay, in their sole discretion, certain prepetition obligations. With respect to some of this debt, the Debtors issued checks prior to the Petition Date that have yet to clear the banking system. In other instances, the Debtors will create the relevant check once the Court enters an order permitting the Debtors to do so. The Debtors intend to inform BofA which such checks should be so honored. Therefore, the Debtors request that BofA be authorized and directed to rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored. The Debtors further request that the Order specify that BofA shall not have any liability to any party for relying on such representations. This relief is reasonable and appropriate because BofA is not in a position to independently verify or audit whether a particular prepetition check may be honored in accordance with an order by the Court or otherwise.

36. Allowing the Debtors to utilize their prepetition Cash Management System and engage in related “routine transactions” is entirely consistent with applicable provisions of the Bankruptcy Code. In particular, Bankruptcy Code section 363(c)(1) authorizes a debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The authority granted by section 363(c)(1) extends to a debtor in possession’s continued use of its customary cash management system and, thus, supports the relief requested. See, e.g., Charter Co. v. Prudential Ins. Co. Am. (In re Charter Co.), 778 F.2d 617, 621 (11th Cir. 1985) (indicating that an order authorizing the debtor to

employ a cash management system that was “usual and customary in the past” was “entirely consistent” with section 363(c)(1)) (internal quotation omitted).

37. To the extent that use of the existing Cash Management System is beyond the ordinary course of the Debtors’ business, such use is permitted by sections 363(b)(1) and 105(a) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Section 105(a) of the Bankruptcy Code further provides that the Court may “issue any order . . . that is necessary or appropriate to carry out the provisions of” the Bankruptcy Code. 11 U.S.C. § 105(a).

38. Where there is a valid business justification for using property outside the ordinary course of business, the law presumes that, “in making a business decision the directors of a corporation acted on an informed basis, in good faith[,] and in the honest belief that the action taken was in the best interests of the company.” Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 656 (S.D.N.Y. 1992) (internal quotation marks omitted) (quoting Smith v. Van Gorkom, 488 A.2d 858, 872 (Del. 1985)).

39. Indeed, bankruptcy courts routinely permit chapter 11 debtors to continue using their existing cash management system, generally treating requests for such relief as a relatively simple matter. See In re Baldwin-United Corp., 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987); see also In re Columbia Gas Sys., Inc., 136 B.R. 930, 934 (Bankr. D. Del. 1992) (recognizing that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash”), aff’d in part, rev’d in part, 1992 U.S. Dist. LEXIS 9460

(D. Del. July 6, 1992), aff'd in part, rev'd in part, 997 F.2d 1039 (3d Cir. 1993), cert. denied sub nom. Official Comm. of Unsecured Creditors v. Columbia Gas Transmission Corp., 510 U.S. 1110 (1994).

B. The Court Should Authorize the Debtors to Honor Certain Prepetition Obligations Related to the Cash Management System.

40. In connection with the Cash Management System, the Debtors may incur fees and other charges (collectively, all such fees and charges, the "Bank Account Claims") in connection with (a) Bank services (the "Service Charges"), (b) checks deposited with BofA which have been dishonored or returned for insufficient funds in the applicable amount, and (c) any reimbursement or other payment obligations, such as overdrafts, arising under any agreements governing the Bank Accounts, including, without limitation, any prepetition cash management agreements or treasury services agreements (the "Bank Account Agreements"). The Debtors estimate that outstanding Bank Account Claims total less than \$20,000 as of the Petition Date.

41. As with the Cash Management System, payment of the Bank Account Claims will minimize disruption to the Debtors' operations and is therefore in the best interests of the estates. Absent payment of the Bank Account Claims, the Banks might assert setoff rights against the funds in the Bank Accounts on account of the Bank Account Claims, freeze the Bank Accounts, and/or refuse to provide services to the Debtors. The payment of Bank Account Claims will not prejudice unsecured creditors given that, as noted above, the Banks may have setoff rights with respect to the Bank Account Claims.

42. Accordingly, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, the Debtors seek authority, in their sole discretion, to pay and/or reimburse the Banks in the ordinary course of business for any Bank Account Claims arising prior to or after the Petition

Date. The Debtors further request that the Bank Account Claims be granted administrative expense priority status pursuant to section 503(b) of the Bankruptcy Code.

43. This Court and other courts have routinely granted the same or similar relief as requested in this Motion to chapter 11 debtors. See, e.g., In re Friendly Ice Cream Corp., No. 11-13167 (KG) (Bankr. D. Del. Oct. 6, 2011); see also In re LightSquared Inc., No. 12-12080 (SCC) (Bankr. S.D.N.Y. Jun. 11, 2012). The Debtors respectfully submit that such relief should be granted here.

C. The Court Should Authorize the Debtors to Continue to Use Existing Business Forms and Checks.

44. Local Bankruptcy Rule 2015-2(a) provides:

Where the debtor uses pre-printed checks, upon motion of the debtor, the Court may, without notice and hearing, permit the debtor to use its existing checks without the designation “Debtor-in-Possession” and use its existing bank accounts. However, once the debtor’s existing checks have been used, the debtor shall, when reordering checks, require the designation “Debtor-in-Possession” and the corresponding bankruptcy number on all such checks.

Del. Bankr. L.R. 2015-2(a).

45. In order to minimize expenses to their estates, the Debtors also seek authorization to continue using Business Forms existing immediately prior to the Petition Date, without reference to the Debtors’ status as debtors in possession.

46. As noted above, most parties doing business with the Debtors undoubtedly will be aware of the Debtors’ status as debtors in possession as a result of the press releases issued by the Debtors and other press coverage. Each of the Debtors’ known creditors will receive direct notice of the commencement of these Chapter 11 Cases.

47. Finally, changing correspondence and business forms would be expensive, unnecessary, and burdensome to the Debtors’ estates and would not confer any benefit upon those dealing with the Debtors. For these reasons, the Debtors request that they be authorized to

use their existing Business Forms without being required to place the label “Debtor in Possession” (or any similar label) on each. As noted above, the Debtors will make reasonable best efforts to ensure that, within a reasonable period of time after the Petition Date, subsequently issued checks bear the designation “Debtor in Possession” and their joint case number. However, printing such designation may involve significant technical difficulties. Accordingly, the Debtors request relief from compliance with such requirement for sixty (60) days and request that any order be without prejudice to their right to seek additional relief from, or time to comply with, such requirement.

D. The Court Should Authorize the Debtors to Continue Intercompany Transactions and Grant Administrative Expense Priority Status to the Related Intercompany Claims.

48. The Bankruptcy Code affords debtors in possession the freedom to obtain unsecured credit and incur unsecured debt in the ordinary course of business without notice and hearing. See 11 U.S.C. § 364(a); see also Mulligan v. Sobiech, 131 B.R. 917, 921 (S.D.N.Y. 1991). The Debtors therefore seek authority, to the extent necessary, to obtain unsecured credit and incur unsecured debt in the ordinary operation of their Cash Management System, including in connection with Intercompany Transactions.

49. If the Debtors cannot continue the Intercompany Transactions, the Debtors’ ordinary-course operations would be unnecessarily and severely hindered. As described above, the cessation of the Intercompany Transactions would require a debilitating increase in management expenses and overhead. Accordingly, if the Intercompany Transactions cannot continue, the Debtors would be virtually unable to operate their business during the Chapter 11 Cases and the likelihood of a successful reorganization would decrease dramatically. Avoiding such potentially crippling hindrances by continuing the Intercompany Transactions is, therefore, in the best interests of the estates.

50. Furthermore, the Debtors' failure to continue the Intercompany Transactions consistent with the Cash Management System and past practices may impair the ability of the Company's non-Debtor affiliates to meet their obligations, and the value of those non-Debtor affiliates, both generally and to the Debtors, may decline. In addition, the Debtors' own operations would be harmed absent authorization to continue engaging in Intercompany Transactions for the reasons set forth above.

51. Accordingly, the Debtors request that the Court authorize the Debtors to continue engaging in Intercompany Transactions in the ordinary course of business and in connection with their continued use of the Cash Management System. As with the Cash Management System, authorizing the Debtors to continue the Intercompany Transactions is appropriate under sections 363(b) or 363(c) of the Bankruptcy Code and is an appropriate exercise of the Court's equitable powers under section 105(a) of the Bankruptcy Code. See, e.g., In re Gen. Growth Props., 412 B.R. 609, 610 (Bankr. S.D.N.Y. 2009) (holding that debtors were authorized to continue prepetition cash management practices, including intercompany transactions, pursuant to sections 105(a) and 363(c) of the Bankruptcy Code); Charter, 778 F.2d at 621 (indicating that order authorizing continued use of cash management system that involved funds transfers to non-debtor affiliates was "entirely consistent" with section 363(c)(1) because the practice was "usual and customary in the past").

52. Additionally, pursuant to sections 105(a) and 503(b) of the Bankruptcy Code, the Debtors request that all intercompany claims against a Debtor by another Debtor or a non-Debtors subsidiary arising postpetition, in the ordinary course of business, as a result of an Intercompany Transaction (such postpetition claims, the "Intercompany Claims") be granted administrative expense priority status. If the Intercompany Claims are accorded administrative

expense priority status, each entity utilizing funds that flow through the Cash Management System should continue to bear ultimate repayment responsibility for such ordinary course transactions, thereby protecting the interests of the Debtors' creditors.

53. Authorization to engage in, and accordance of administrative expense treatment to, intercompany transactions, similar to the relief requested here, is routinely granted in complex chapter 11 cases. See, e.g., In re WP Steel Venture LLC, No. 12-11661 (KJC) (Bankr. D. Del. Jun. 1, 2012); In re Satelites Mexicanos, S.A. de C.V., No. 11-11035 (CSS) (Bankr. D. Del. Apr. 11, 2011); In re Ambassadors Int'l, Inc., No. 11-11002 (KG) (Bankr. D. Del. Apr. 5, 2011); In re Local Insight Media Holdings, Inc., No. 10-13677 (Bankr. D. Del. Nov. 19, 2010); In re OTC Holdings Corp., No. 10-12636 (Bankr. D. Del. Aug. 27, 2010); see also In re LightSquared Inc., No. 12-12080 (SCC) (Bankr. S.D.N.Y. Jun. 11, 2012).⁵

54. For the reasons set forth above, the Debtors submit that the relief requested in this Motion is in the best interest of the Debtors, their estates, creditors, stakeholders and other parties in interest, and therefore, should be granted.

IMMEDIATE RELIEF IS NECESSARY TO AVOID IMMEDIATE AND IRREPARABLE HARM

55. Bankruptcy Rule 6003 provides that the relief requested in this Motion may be granted if the "relief is necessary to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003; see also In re First NLC Fin. Servs., LLC, 382 B.R. 547, 549 (Bankr. S.D. Fla. 2008) (holding that Bankruptcy Rule 6003 permits entry of retention orders on an interim basis to avoid irreparable harm). The Third Circuit has interpreted the language "immediate and irreparable harm" in the context of preliminary injunctions. In that context, the court instructed

⁵ Because of the voluminous nature of the orders cited herein, they are not attached to the Motion. Copies of these orders, however, are available on request.

that irreparable harm is a continuing harm which cannot be adequately redressed by final relief on the merits and for which money damages cannot provide adequate compensation. See, e.g., Norfolk S. Ry. Co. v. City of Pittsburgh, 235 F. App'x 907, 910 (3d Cir. 2007) (citing Glasco v. Hills, 558 F.2d 179, 181 (3d Cir. 1977)). Furthermore, the harm must be shown to be actual and imminent, not speculative or unsubstantiated. See, e.g., Acierno v. New Castle County, 40 F.3d 645, 653-55 (3d Cir. 1994). The Debtors submit that for the reasons already set forth herein, the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors.

WAIVER OF STAY UNDER BANKRUPTCY RULE 6004(H)

56. The Debtors also request that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtors seek in this Motion is necessary for the Debtors to operate their businesses without interruption and to preserve value for their estates. Accordingly, the Debtors respectfully request that the Court waive the fourteen-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

NOTICE

57. Notice of this Motion will be given to: (i) the United States Trustee for the District of Delaware; (ii) counsel to the agent under the Debtors’ postpetition senior secured credit facility, (iii) counsel to the agent under the First Lien Credit Agreement; (iv) counsel to the agent under the Second Lien Credit Agreement; (v) the parties included on the Debtors’ lists of thirty (30) largest unsecured creditors; and (vi) all parties entitled to notice pursuant to Local

Bankruptcy Rule 9013-1(m). The Debtors submit that no other or further notice need be provided.

NO PRIOR REQUEST

58. No previous request for the relief sought herein has been made to this Court or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form annexed hereto, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: Wilmington, Delaware
 April 24, 2013

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

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Proposed Counsel for Debtors and Debtors in Possession

EXHIBIT A

CASH MANAGEMENT SYSTEM FLOW CHART

Synagro Technologies, Inc. Flow of Funds

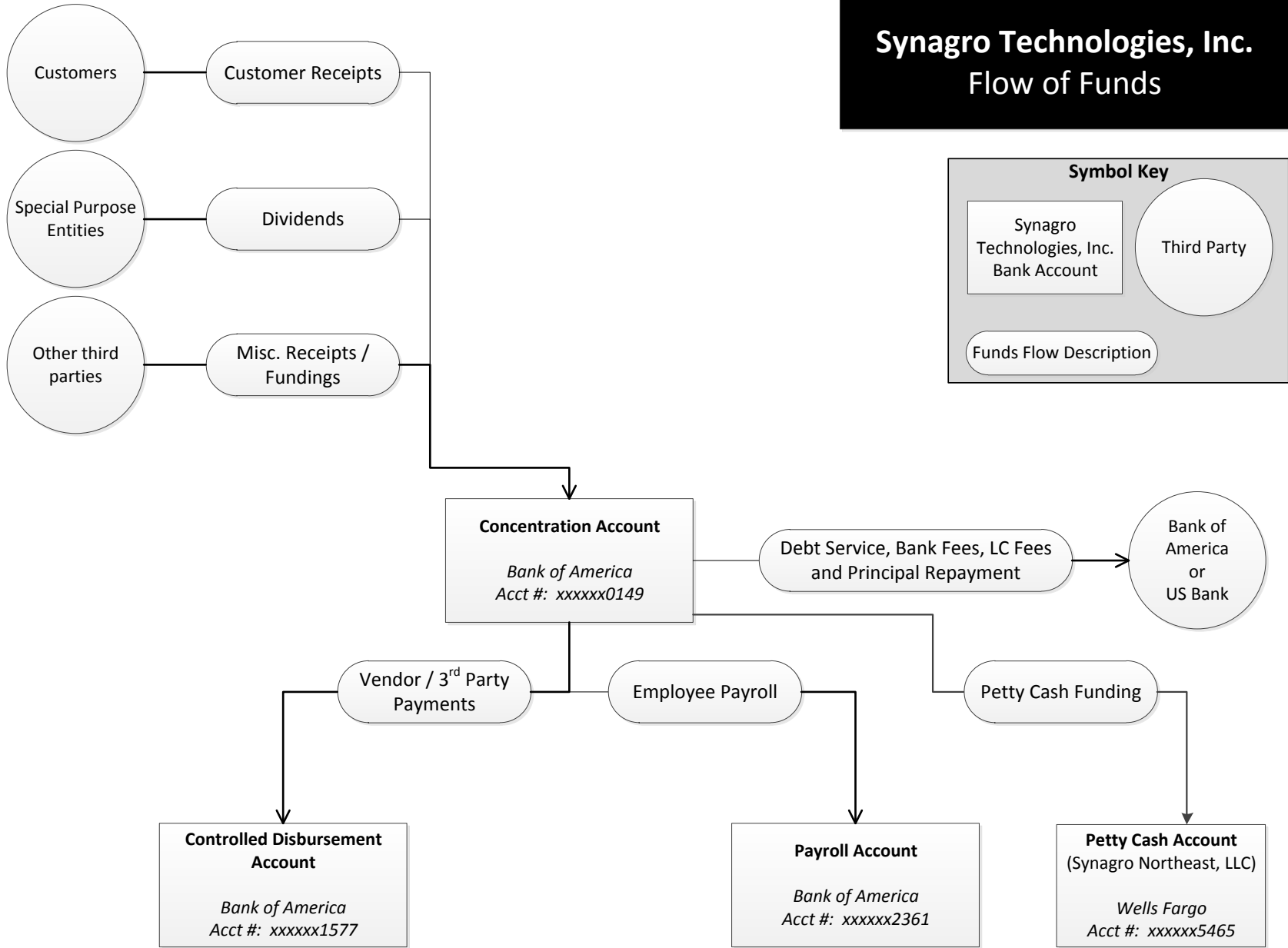


EXHIBIT B

LIST OF BANK ACCOUNTS

CORPORATE ENTITY	FINANCIAL INSTITUTION	ACCOUNT TYPE	ACCOUNT NUMBER	ESTIMATED AVERAGE BALANCE	ESTIMATED CURRENT BALANCE
Synagro Technologies, Inc.	Bank of America	Concentration Account	8666610149	\$4,801,000	\$6,076,000
Synagro Technologies, Inc.	Bank of America	Disbursement Account	8765001577	—	—
Synagro Technologies, Inc.	Bank of America	Payroll Account	8765602361	(\$42,871)	(\$7,601)
Synagro Northeast, LLC	Wells Fargo	Petty Cash Account	2000018525465	\$5,000	\$5,000

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

----- X
 :
 In re: : Chapter 11
 :
 SYNAGRO TECHNOLOGIES, INC., et al., : Case No. 13-11041 (BLS)
 :
 Debtors.¹ : (Joint Administration Pending)
 :
 ----- X

**ORDER GRANTING DEBTORS’ MOTION FOR ORDER PURSUANT TO
 BANKRUPTCY CODE SECTIONS 105(a), 345(b), 363, AND 503(b), BANKRUPTCY
 RULES 6003 AND 6004 AND LOCAL BANKRUPTCY RULE 2015-2 (I) AUTHORIZING
 CONTINUED MAINTENANCE OF PREPETITION BANK ACCOUNTS AND
 PAYMENT OF RELATED PREPETITION OBLIGATIONS, (II) AUTHORIZING
 CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM, (III)
 AUTHORIZING CONTINUED USE OF EXISTING BUSINESS FORMS, AND
 IV) AUTHORIZING THE CONTINUATION OF, AND ACCORDANCE OF
 ADMINISTRATIVE EXPENSE PRIORITY STATUS TO,
INTERCOMPANY TRANSACTIONS**

Upon the motion (the “Motion”)² of the Debtors for an order, pursuant to sections 105(a), 345(b), 363, and 503(b) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Bankruptcy Rule 2015-2 (i) authorizing, but not directing, the Debtors to continue to maintain existing bank accounts, authorizing a waiver of certain operating guidelines relating to

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Drilling Solutions, LLC (9935); Earthwise Organics, LLC (5458); Environmental Protection & Improvement Company, LLC (2397); NETCO - Waterbury, LP (5202); New Haven Residuals, LP (2758); New York Organic Fertilizer Company (8694); Providence Soils, LLC (9061); Soaring Vista Properties, LLC (4015); South Kern Industrial Center, LLC (2099); ST Interco, Inc. (4897); Synagro - Connecticut, LLC (5532); Synagro - WCWNJ, LLC (0817); Synagro - WWT, Inc. (0492); Synagro Central, LLC (2568); Synagro Composting Company of California, LLC (7671); Synagro Detroit, LLC (1107); Synagro Drilling Solutions, LLC (4598); Synagro-Hypex, LLC (2544); Synagro Management, LP (4546); Synagro Northeast, LLC (2564); Synagro of California, LLC (8598); Synagro of Minnesota - Rehbein, LLC (7969); Synagro of Texas - CDR, Inc. (8566); Synagro Product Distribution, LLC (4357); Synagro South, LLC (2567); Synagro Technologies, Inc. (9860); Synagro Texas, LLC (4372); Synagro West, LLC (2566); Synagro Woonsocket, LLC (1634); Synatech Holdings, Inc. (5544). The Debtors’ address is 1800 Bering Drive, Suite 1000, Houston, Texas 77057.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

bank accounts, and authorizing, but not directing, the payment of related prepetition obligations; (ii) authorizing, but not directing, the Debtors to continue to use their existing Cash Management System; (iii) authorizing, but not directing, the Debtors to continue to use existing Business Forms; and (iv) authorizing the continuation of certain Intercompany Transactions, and accordance of administrative expense priority status to related postpetition Intercompany Claims; and upon the First Day Declaration; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by the Motion is in the best interests of the Debtors, their estates, their creditors, their stakeholders, and other parties in interest; and after due deliberation thereon, and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED that:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, the Debtors, in their discretion, are authorized, but not directed, to (i) designate, maintain, and continue to use any and all of their Bank Accounts in existence as of the Petition Date, with the same account numbers, including the accounts identified in Exhibit B annexed to the Motion, and need not comply with certain operating guidelines relating to bank accounts set forth in the U.S. Trustee Guidelines, including but not limited to section 2(a) of the U.S. Trustee Guidelines; (ii) close existing accounts, including, without limitation, any inactive accounts; and (iii) treat the Bank Accounts for all purposes as accounts of the Debtors in their capacity as debtors in possession; provided, however, that the Debtors are only authorized to open new bank accounts (a) after providing prompt notice to the U.S. Trustee and any official committee appointed in these Chapter 11 Cases; (b) with a bank that (x) is organized under the laws of the United States of America or any state therein, (y) is insured by the FDIC, and (z) has executed, or is willing to

immediately execute, a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware; and (c) that are designated “Debtor in Possession” accounts by the relevant bank.

3. The relief granted in this order is extended to any new bank account opened by the Debtors after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened. To the extent the Debtors open or close bank accounts, they shall provide notice to the United States Trustee and any official committee appointed in these Chapter 11 Cases.

4. Within fifteen (15) days from the date of entry of this order, the Debtors shall (a) contact the Banks; (b) provide the Banks with each of the Debtors’ employer identification numbers; and (c) identify each of their accounts held at the Banks as being held by a debtor in possession.

5. The requirements of the U.S. Trustee Guidelines that the Debtors close all existing bank accounts and open new debtor in possession accounts are hereby waived. Further, the requirements of the U.S. Trustee Guidelines that the Debtors establish specific bank accounts for tax payments are hereby waived.

6. The Bank Accounts are deemed debtor in possession accounts. The Debtors are authorized, but not directed, to maintain and use the Bank Accounts in the same manner and with the same account numbers, styles, and document forms as those employed prior to the Petition Date, including, without limitation: (a) to deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, automated clearinghouse (“ACH”) transfers, drafts, electronic fund transfers, and other debits or items presented issues or drawn on the Bank Accounts, (b) to pay postpetition ordinary course bank

fees and service fees in connection with the Bank Accounts, (c) to perform their obligations under the documents and agreements governing the Bank Accounts, including without limitation, any prepetition cash management agreements or treasury services agreements (d) to treat the Bank Accounts for all purposes as accounts of the Debtors in their capacities as debtors in possession.

7. BofA is authorized without the need for further order of this Court to: (a) continue to administer, service, and maintain, the Bank Accounts as such accounts were administered, serviced, and maintained prior to the Petition Date, without interruption and in the ordinary course, (b) receive, process, honor, and pay any and all checks, drafts, wires, ACH transfers, electronic fund transfers, or other items presented, issued, or drawn on the Bank Accounts (collectively, the “Disbursements”) on account of a claim, and (c) debit the Bank Accounts for all undisputed prepetition bank and service fees outstanding as of the date hereof, if any, owed to BofA; provided, however, that no checks, drafts, wires, or electronic fund transfers (excluding any electronic fund transfers that BofA is obligated to settle), or other items presented, issued, or drawn on the Bank Accounts prior to the Petition Date shall be honored, unless (i) authorized by order of this Court; (ii) not otherwise prohibited by a “stop payment” request received by BofA from the Debtors; and (iii) supported by sufficient funds in the Bank Account in question.

8. Subject to the provisions of this Order, BofA is authorized and directed to rely on the representations of the Debtors as to which Disbursements are authorized to be honored or dishonored, whether or not such Disbursements are dated prior to, on, or subsequent to the Petition Date, and whether or not BofA believes the payment is authorized by an order of the Court. BofA shall not be deemed in violation of this Order and shall have no liability for

honoring any Disbursement that is subject to this Order either (a) at the direction of the Debtors to honor such prepetition Disbursement, (b) in the good faith belief that the Court has authorized such prepetition Disbursement to be honored, or (c) as a result of an innocent mistake. To the extent that the Debtors direct that any Disbursement be dishonored or BofA inadvertently dishonors any Disbursements, the Debtors may issue replacement Disbursements consistent with the orders of this Court.

9. BofA is further authorized to (a) honor the Debtors' directions with respect to the opening or closing of any Bank Account and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions, and BofA shall have no liability to any party for relying on such representations or instructions.

10. To the extent any other order is entered by this Court authorizing BofA to honor checks, drafts, automated clearing house transfers, or other electronic funds transfers or any other withdrawals made, drawn, or issued in payment of prepetition claims, the obligation to honor such items shall be subject to this Order, provided, however, that, notwithstanding anything to the contrary contained herein, any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under any approved order regarding the use of cash collateral or post-petition financing and any budget in connection therewith.

11. The Debtors shall serve a copy of this order on BofA within five (5) business days of the entry of this Order, and upon any bank at which the Debtors open a new bank account, immediately upon the opening of such new account.

12. The Debtors are authorized to continue to use their existing Cash Management System. The Debtors may transfer funds into, out of, and through the Cash

Management System, including to the SPE Accounts, using ordinary transfer methods in accordance with the Debtors' prepetition practice. In connection with the ongoing utilization of their Cash Management System, the Debtors shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly. Except as otherwise set forth herein, the Debtors are further authorized to implement any changes to the Cash Management System that they deem appropriate in their sole discretion, including, without limitation, closing Bank Accounts or opening new bank accounts as set forth herein.

13. The Debtors are authorized, but not directed, to continue to use their existing Business Forms without alteration or change and without the designation "Debtor in Possession" imprinted upon them; provided, however, that, within a reasonable period of time following the Petition Date, the Debtors shall ensure that, within sixty (60) days following the Petition Date, subsequently issued checks bear the designation "Debtor in Possession" and their joint case number; provided further that the foregoing shall be without prejudice to the Debtors' right to seek further relief from this requirement or additional time to comply.

14. The Debtors are authorized to continue engaging in Intercompany Transactions in the ordinary course of business, including transferring funds to non-Debtor subsidiaries through the Cash Management System. The Intercompany Claims arising postpetition relating to the Intercompany Transactions shall have administrative expense priority status pursuant to section 503(b) of the Bankruptcy Code.

15. To the extent applicable, the Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested is necessary to avoid immediate and irreparable harm.

16. Notwithstanding the Debtors' use of a consolidated cash management system, the Debtors shall calculate quarterly fees payable under 28 U.S.C. § 1930(a)(6) based on the disbursements of (or on behalf of) each Debtor regardless of which entity actually makes such disbursements.

17. Notwithstanding Bankruptcy Rule 6004(h), this order shall be effective and enforceable immediately upon entry hereof.

18. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this order.

Dated: Wilmington, Delaware
_____, 2013

The Honorable Brendan L. Shannon
UNITED STATES BANKRUPTCY JUDGE

Exhibit 4

Retainers Paid

Synagro Technologies
List of Retainers Held by Professionals

as of Apr 24, 2013

<u>Professional Firm</u>	<u>Amount</u>
AlixPartners LLP	150,000.00
Shearman & Sterling, LLP	150,000.00
Skadden, Arps, Slate, Meagher & Flom LLP	-
Marotta Gund Budd & Dzera LLP	150,000.00
Hein & Associates LLP	40,841.00
Kurtzman Carson Consultants LLC	10,000.00
Sitrick and Company	5,819.93
Grand Total	506,660.93