

EXHIBIT A



777 Main Street, Suite 1000 Fort Worth, Texas 76102 | (800) 486-5616

POLICY NO. AP99-07302-01
 PRIOR POLICY NO. AP99-07302-00

Verage Identification Page

Item 1. NAMED INSURED: Tom Wasson dba Tom's Aircraft Enterprises

MAILED
 AUG 25 2012

COMPANY AGENT'S NAME AND ADDRESS:
 Aerospace Insurance Services
 1221 East Glenoaks Boulevard, Suite 150
 Glendale, California 91207-2089
 888.860.1289 | 818.547.1400

Item 2. ADDRESS: 4475 Highland Springs Road, Lakeport, CA 95453

Item 3. POLICY PERIOD: 12:01 A.M. Standard time at your address from: 8/22/2011 To 12:01 AM Standard time 8/22/2012

Item 4. YOUR BUSINESS: Aircraft repair and service

Item 5. LOCATION OF AIRPORT(S): This policy applies only to losses arising out of your operations at the following location(s):

Lampson Field Airport, Lakeport, CA

This policy will also apply to any other airport that you acquire or become responsible for during the policy period provided that you advise us or our Aviation Managers within thirty (30) days of any new acquisition. We may request additional information or charge an additional premium for any new acquisition.

Item 6. COVERAGE DESCRIPTION AND LIMIT OF COVERAGE. This policy only provides the coverage for which a Limit of Coverage is shown below:

TOTAL POLICY COVERAGE LIMIT	LIMIT OF COVERAGE		PREMIUM
	Amount	Frequency	
COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY	\$1,000,000	Each Occurrence	[REDACTED]
Hazard Division 1. Airport Operations	\$1,000,000	Each Occurrence \$1,000,000 Each Person	
Hazard Division 2. Products and Completed Operations	\$1,000,000 \$100,000 \$1,000,000	Each Occurrence Each Person Annual Aggregate	
Hazard Division 3. Independent Contractors		Each Occurrence	
Hazard Division 4. Contractual Liability		Each Occurrence	
Hazard Division 5. Fire Legal Liability		Each Occurrence	
COVERAGE B. HANGARKEEPER'S LIABILITY	\$200,000 \$400,000	Each Aircraft Each Occurrence	
Hangarkeeper's Deductible: <u>\$2,500</u> Each Occurrence			
COVERAGE C. PERSONAL INJURY LIABILITY		Each Occurrence Annual Aggregate	
COVERAGE D. ADVERTISING INJURY LIABILITY		Each Occurrence Annual Aggregate	

Item 7. DEDUCTIBLES (Other than Hangarkeeper's Liability)
 _____ each occurrence subject to a maximum of:
 _____ in the aggregate during the policy period.

Endorsement Premiums

Item 8. TOTAL ADVANCE PREMIUM for the Policy Period is:

N/C Means 'Not Covered'

Item 9. FORMS ATTACHED AT INCEPTION: AP2000 (01/10), AP2000C HA (01/10), AP2001 HA (01/10), AP2002 (1/00), AP2003 CA (01/10), AP2003C (01/10), AP2010 CA (10/05), AP2004(01/00), AP2006(01/10)

Aerospace Insurance Services
 Aviation Managers

Date Issued August 24, 2011

David M. Hayman
 Authorized Representative

DF

12.50

Product Code: PA99138

Form AP2001 HA (01/10)

Handwritten initials and date: *HH*
8-25-11

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY

Hazard Description Schedule

Coverage A, Hazard Division 2: PRODUCTS AND COMPLETED OPERATIONS

Your coverage under Hazard Division 2 for "Products and Completed Operations" under Coverage A, Bodily Injury and Property Damage Liability, applies ONLY to liability arising out of the classes of goods, products or service operations having a premium charge or rate shown below:

Class of Goods, Products or Service Operations	Rate Basis	Rate	Premium*
	(a) Sales Annual Charge	(a) Per \$1,000 of Sales Annual Charge	
Fixed Wing Aircraft Repairs & Services (Excluding Propeller or Engine Overhaul) Sale of: Aircraft Parts Not Installed	**	**	

* If a premium charge shown has an asterisk (*), the amount shown represents an Advance Premium due for the coverage under the Policy subject to audit as provided by the policy.

The term "sales" means the gross amount of money charged by you for the services rendered or goods and products sold during the policy period, excluding any taxes collected by you on such goods, products or services which are remitted to a governmental agency or office.

Coverage A, Hazard Division 4: CONTRACTUAL LIABILITY

Your coverage under Hazard Division 4 for "Contractual Liability" under Coverage A, Bodily Injury and Property Damage Liability, applies only to liability arising out of the agreements or contracts having a premium charge or rate shown below:

Designation of Contracts	Rate Basis	Rate	Premium*
	(a) Number (b) Cost	(a) Per Contract (b) Per \$100 of Cost	

* If a premium charge shown has an asterisk (*), the amount shown represents an Advance Premium due for the coverage under the Policy subject to audit as provided by the policy.

The term "cost" means the total cost to any indemnitee with respect to any contract which is insured of all work let or subcontracted in connection with each specific project, including the cost of labor, materials and equipment furnished, used or deferred for use in the execution of such work, whether furnished by the owner, contractor or subcontractor, including all less, allowances, bonuses or commissions paid or due.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

The following information is required only when the effective date of this endorsement is subsequent to the Policy effective date.

This endorsement is Endorsement No.	1
This endorsement is effective on:	8/22/2011
Attached to and forming a part of Policy No.	AP99-07302-01
Issued to (First Named Insured):	Tom's Aircraft Enterprises
Additional Premium:	\$5,207 (INCLUDED)

Form AP2004 (01/00)

BAUED 8/24/11 DF

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY

JK
8-25-11

Additional Insured Endorsement

We agree that the coverage provided to you under this policy under the coverage parts identified below is extended to include the following named person(s) and/or organization(s) within the definition of someone we protect with respect to an occurrence arising out of your operations at the airport. The inclusion of the person(s) or organization(s) named below as someone we protect is limited to the specific coverage designated below and does not include coverage for any liability arising under any other hazard division or coverage part, or to any liability for bodily injury or property damage that arises out of the separate operations of the named person(s) or organization(s).

This extension of coverage includes the employees, officers or directors of any designated organization as someone we protect, while acting within the scope of their duties as such, with respect to any occurrence arising out of your operations at the airport as permitted by your policy covered by the provisions of this endorsement. This coverage extension applies to the following:

Name of Person(s) or Organization(s) Covered by this Endorsement:

COUNTY OF LAKE
COUNTY COURTHOUSE
255 N. FORBES STREET
LAKEPORT, CA 95453

JACK OLOF AND ANN OLOF
P.O. BOX 609
LAKEPORT, CA 95453

Coverage Parts to Which this Coverage Extension Applies:

Coverage A. Bodily Injury and Property Damage Liability

- Hazard Division 1 – Airport Operations

The following information is required only when the effective date of this endorsement is subsequent to the Policy effective date.

This endorsement is Endorsement No.	2
This endorsement is effective on	8/22/2011
Attached to and forming a part of Policy No.	AP99-07302-01
Issued to (First Named Insured):	Tom's Aircraft Enterprises
Additional Premium:	\$200 (INCLUDED)

Form AP2006 (01/10)

ISSUED 8/24/11 DF

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY

Nuclear Incident Exclusion Endorsement

This policy does not apply:

1. Under any liability coverage, to bodily injury or property damage:
 - A. With respect to which you or someone we protect is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - B. Resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amendment thereto, or (2) you or someone we protect 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.
2. Under any liability coverage, to bodily injury or property damage resulting from the hazardous properties of nuclear material, if:
 - A. The nuclear material (i) is at any nuclear facility owned by, or operated by or on behalf of, you or someone we protect, or (ii) has been discharged or dispersed therefrom;
 - B. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of you or someone we protect; or
 - C. The bodily injury or property damage arises out of the furnishing by you or someone we protect of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its Territories or Possessions or Canada, this exclusion (C) applies only to property damage at such nuclear facility.
3. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or byproduct material; "source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954, as amended; "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of a nuclear facility below.

"Nuclear facility" means

- A. Any nuclear reactor; or
- 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;

The following information is required only when the effective date of this endorsement is subsequent to the Policy effective date.

This endorsement is Endorsement No.
This endorsement is effective on
Attached to and forming a part of Policy No.
Issued to (First Named Insured):
Additional Premium:

- D. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste;
- E. 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.

As used in this endorsement, the term **property damage** includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY

Airport Extended Coverage Endorsement

1. We hereby agree that paragraphs 1, 3, 4 and 5 of the "War, Hijacking and Other Perils Exclusion Endorsement" forming a part of this policy, are deleted.
2. This endorsement does not apply:
 - A. If a state of war exists between any of the following nations: The United Kingdom, United States of America, France, The Russian Federation or The People's Republic of China;
 - B. To any liability arising out of the hostile detonation of any weapon of war employing atomic or nuclear fission or other like reaction or radioactive force or mater wherever or whenever such detonation may occur;

The following information is required only when the effective date of this endorsement is subsequent to the Policy effective date.

This endorsement is Endorsement No.
This endorsement is effective on
Attached to and forming a part of Policy No.
Issued to (First Named Insured):
Additional Premium:

Form AP2003A CA (01/10)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Definition and Exclusion of Certified Acts of Terrorism

The following is added to your Policy:

PART I. DEFINITIONS OF TERMS USED IN THE POLICY is amended to add the following provision:

Certified Act of Terrorism

Certified act of terrorism means an 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, to be an act of terrorism pursuant to the Federal Terrorism Risk Insurance Act. The criteria contained in the Federal Terrorism Risk Insurance Act for a certified act of terrorism include the following:

- A. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Federal Terrorism Risk Insurance Act; and
- B. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

PART IV. EXCLUSIONS is amended to add the following provision:

This Policy does not apply to:

Bodily injury or property damage caused by or arising out of any certified act(s) of terrorism.

The following information is required only when the effective date of this endorsement is subsequent to the Policy effective date.

This endorsement is Endorsement No.
This endorsement is effective on
Attached to and forming a part of Policy No.
Issued to (First Named Insured):
Additional Premium:

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY

California Change Endorsement

This endorsement changes Part I. DEFINITION OF TERMS USED IN THE POLICY, Paragraph 8, Aviation Managers, to read as follows:

8. **Aviation Managers** means Aerospace Insurance Services which manages our aviation insurance business for us.

This endorsement changes Part V. CONDITIONS, Paragraph 15, Cancellation and Non-renewal of this Policy, to read as follows:

15. **Cancellation and Non-renewal of this Policy**

Cancellation This policy may be canceled by you by mailing prior written notice to us stating when the cancellation will be effective. This policy may be canceled by us by mailing to the first named insured at the first address shown in Item 1 of the Coverage Identification Page stating when the cancellation will be effective.

We can cancel this policy as follows:

- a. If this policy has been in effect less than 60 days we may cancel at any time by mailing or delivering a notice of cancellation to the first Named Insured:
- (1) 10 days before the effective date of cancellation for nonpayment of premium
 - (2) 10 days before the effective date of cancellation Discovery of fraud by:
 - (a) You or someone we protect in obtaining this insurance; or
 - (b) You or someone we protect in pursuing a claim under this policy.
- b. 30 days before the effective date of cancellation if we cancel for any other reason.
- c. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
- (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) You or someone we protect in obtaining this insurance; or
 - (b) You or someone we protect in pursuing a claim under this policy.
 - (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
 - (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or someone we protect, which materially increase any of the risks insured against.
 - (5) Failure by you or someone we protect to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - (6) A determination by the Commissioner of Insurance that the:
 - (a) ~~Use of, or changes in, our reinsurers covering all or part of the risk would threaten our financial integrity or solvency; or~~

The following information is required only when the effective date of this endorsement is subsequent to the Policy effective date.

This endorsement is Endorsement No.
This endorsement is effective on
Attached to and forming a part of Policy No.
Issued to (First Named Insured):
Additional Premium:

(b) Continuation of the policy coverage would:

- (i) Place us in violation of California law or the laws of the state where we are domiciled; or
- (ii) Threaten our solvency.

(7) A change by you or someone we protect in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

d. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason listed above.

If you cancel the policy, we will return 90% of the unearned premium you have paid. If we cancel your policy, we will compute the premium earned by us based on the percentage of the original policy period that we provided coverage. If you cancel the policy, we will return 90% of the unearned premium you have paid.

Non-renewal or Material Change We will mail written notice to the first named insured and the authorized agent or broker at least sixty (60) days, but not more than 120 days, prior to the expiration date of this policy in the event we decide not to renew this policy or sixty (60) days prior to any material change in any policy condition or limit of coverage.

We are not required to send notice of non-renewal in the following situations:

- (1) If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group; or
- (2) If the policy has been extended for 90 days or less, provided that notice has been given in accordance with paragraph above; or
- (3) If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage; or
- (4) If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed; or
- (5) If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period; or
- (6) If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in paragraph above, to renew the policy under changed terms or conditions or at an increased premium rate, where the premium increase exceeds 25%.

The proof of mailing or delivering notice of non-renewal, cancellation or change by us to the first named insured shown on the Coverage Identification Page will be sufficient proof of notice to all persons or organizations covered by this policy.

NOTICE OF PRIVACY POLICY

Hallmark American Insurance Company

Hallmark American Insurance Company is committed to providing insurance and annuity products and services designed to meet your needs. We are equally committed to respecting your privacy and protecting the information about you that we may receive. We have prepared this notice to advise you what information we collect, how we use it and how we protect it.

What Information We Collect

As an essential part of our business, we obtain certain personal information about you in order to provide a financial product or service to you. Some of the information we receive comes directly from you on applications or other forms, and may include information you provide during visits to our Web site. We may also receive information from physicians, testing laboratories and other health providers, and from consumer reporting agencies. The types of information we receive may include addresses, social security numbers, family information, current and past medical history and financial information, including information about transactions with other financial institutions. Such information may, in certain circumstances, properly be obtained without further notice to or authorization from you.

What Information We Disclose

We do not disclose nonpublic personal information about our current or former customers to any nonaffiliated entity, except as permitted by law. Examples of the disclosures which we are permitted by law to make include: disclosures necessary to service or administer an insurance or annuity product that you requested or authorized; disclosures made with your consent or at your direction; disclosures made to your legal representative; disclosures made in response to a subpoena or an inquiry from an insurance or other regulatory authority; disclosures made to comply with federal, state or local laws and to protect against fraud. Where permitted by law, such disclosures may be made without further notice to or authorization from you.

Our Privacy Protection Procedures

We protect information about you from unauthorized access. For example we employ secure technologies in order to safeguard transmission of information about you through our web sites. Access to information about you is restricted to those individuals that need such information in order to provide products and services to you. Examples of activities requiring access to personal information include: underwriting; claims processing; reinsurance and policyholder service. Our employees and agents receive training regarding our privacy policies and violators are subject to disciplinary action. Finally, we have established and maintain procedures to comply with all state and federal laws and regulations regarding the security of personal information.

This Notice has been provided to you in compliance with the Financial Services Modernization Act of 1999, U.S. Pub. L. 106-102, 113 U.S. Stat. 1033, for information purposes only. No action is required on your part.

Broad Form Airport Liability Insurance Policy

ISSUED THROUGH

AEROSPACE



AEROSPACE INSURANCE MANAGERS, INC.

15280 Addison Road | Suite 250 | Addison, Texas 75001
888.880.1289 | 972.852.1200

The provisions of your policy are set forth in detail in the Coverage Identification Page, Parts I through V and any Endorsements we issue. Together, these comprise your policy.

Be sure to review your Coverage Identification Page to confirm the coverage and limit of coverage issued to you. Then read each Part of the policy and each Endorsement we issued. This will enable you to better understand your policy.

This Policy is a legal contract between you and the Company; therefore, **IT IS IMPORTANT THAT YOU READ YOUR POLICY CAREFULLY.** An index to the important provisions of your policy is provided below:

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Policy Provisions

We agree with you, in consideration of the payment of the premium, to provide the coverage specified in the Coverage Identification Page, subject to the applicable limits of coverage, exclusions, conditions and other terms of this Policy.

Part I. Definition of Terms Used In the Policy

The following words and phrases when appearing in bold face print have special meaning throughout the policy:

1. **Advertising injury** means one or more of the following offenses committed during the policy period:
 - A. Oral or written publication or broadcast of material that:
 - (i) slanders or libels a person or organization
 - (ii) disparages, ridicules or defames a person or organization's goods, products or services, or
 - B. Oral or written publication or broadcast of material that violates a person's right of privacy, or
 - C. Misappropriation of advertising ideas or style of doing business, or
 - D. Infringement of copyright, trademark, title or slogan, or
 - E. Unfair competition
2. **Aircraft** means any aircraft including the airframe, landing gear, propulsion system (including engine(s), accessories and propeller(s) or rotor(s)), flight and engine instruments, avionics, electrical system, flight control system, fuel system, and any hydraulic and pressurization system. Parts usually mounted or attached to the aircraft are included while temporarily removed so long as they are not replaced by other parts. Log books, documents or other records related to the ownership or maintenance of an aircraft are not a part of an **aircraft**.
3. **Aircraft traffic control services** mean a service provided by an **aircraft traffic control tower** for aircraft operating on or in the vicinity of an **airport**.
4. **Aircraft traffic control tower** means a terminal facility that uses radio communications, visual signaling and other devices to provide for safe, orderly and expeditious flow of traffic to **aircraft** operating in the vicinity of the **airport** or on the ground and/or authorizes **aircraft** to taxi, take off or land at the **airport** controlled by the tower or to transit the **airport** traffic area.
5. **Airport** means the **airport** and/or premises designated in Item 5 of the Coverage Identification Page. This includes the ways and means immediately adjoining the designated **airport(s)**. The term also includes the temporary or incidental use by you of any other location which is not owned, rented or occupied by you provided such use arises out of your ownership, maintenance, operation or use of the **airport** designated in Item 5.

The term also includes any other **airport** and/or premises you acquire during the policy period provided you give us or our **Aviation Managers** written notice of such acquisition within thirty (30) days of such acquisition and pay any additional premium we may charge to provide coverage for such additional location(s).
6. **Auto** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. However, the term does not include **mobile equipment**.
7. **Aviation Managers** means Aerospace Insurance Managers, Inc., and any of its affiliates or subsidiaries, which manage our aviation insurance business for us.
8. **Bodily Injury** means physical injury to a person, including sickness, disease (including mental anguish) or death resulting from such physical injury.
9. **Employee** means any person while acting within the scope of employment, direction or authorization given by you who receives compensation from you to provide airport line services, aircraft repair or maintenance services as a mechanic, or other ground services related to and in conjunction with your airport operations where an **occurrence** arises out of these activities.

This definition will apply whether you deem the person providing such services to be an **employee** or an independent contractor, unless such person is regularly employed, and more than 50% of such person's current compensation from aviation-related services is paid, by persons or organizations other than you.
10. **Federal Aviation Administration (FAA)** means the authority of the United States of America having jurisdiction over civil aviation or its counterpart in another country.

11. **In flight** means when movement of the **aircraft** (other than a rotorcraft) begins for takeoff until completion of the landing run. A rotorcraft is **in flight** when any engine in the **aircraft** is being started or is operating or when the **aircraft** is off any supporting surface.
12. **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 the **airport**;
 - C. Vehicles that travel on crawler treads;
 - D. Vehicles, whether self-propelled or not maintained primarily to provide mobility to permanently mounted:
 - (i) power cranes, shovels, loaders, diggers or drills; and
 - (ii) road construction or resurfacing equipment such as graders, scrapers and rollers;
 - E. Vehicles not described in A, B, C or D above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (i) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (ii) cherry pickers and similar devices used to raise or lower workers;
 - F. Vehicles not described in A, B, C or D above that are maintained primarily for purposes other than the transportation of persons or cargo.

However, regardless of paragraphs A through F, above, the following are considered **autos** and not **mobile equipment**:

Police vehicles, ambulances or self-propelled vehicles with the following types of permanently attached equipment:

 - (i) equipment designed primarily for snow removal, street cleaning or road maintenance (but not construction or resurfacing equipment);
 - (ii) cherry pickers and similar devices mounted on an automobile or truck chassis and used to raise or lower workers; and
 - (iii) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
13. **Occurrence** means a sudden event or repeated exposure to conditions, neither expected nor intended by **you** or **someone we protect**, that causes **bodily injury** or **property damage** to others during the policy period. **Bodily injury** or **property damage** that results from the use of reasonable force to protect persons or property will be deemed not expected or intended by **you** or **someone we protect**. All **bodily injury** or **property damage** resulting from the same general conditions will be considered caused by one **occurrence**. With respect to Coverage C and D, "**Personal Injury**" or "**Advertising Injury**," the term **occurrence** will apply to an act or series of acts committed during the policy period that constitutes an offense to a person or organization. All similar or related offenses against the same person or organization will be deemed to arise out of one occurrence.
14. **Personal Injury** means one or more of the following offenses committed during the policy period:
 - A. False arrest, restraint, detention or imprisonment;
 - B. Malicious prosecution;
 - C. Discrimination based upon race, color, religion, sex, age or national origin, but not as a result of any employment related discrimination;
 - D. Wrongful entry, eviction or other invasion of the right or privacy;
 - E. Inadvertent discrimination with respect to withholding or refusal of transportation;
 - F. The publication or utterance of a libel, slander, ridicule, or of other defamatory or disparaging material in violation of anyone else's right of privacy, excluding any offense arising out of your advertising activities;
 - G. Fright, shock, mental anguish, emotional upset and humiliation, but not as a result of any offense related to the employment, past employment or future employment of any person(s) by **you** or **someone we protect**.

The term **personal injury** does not include **bodily injury**.
15. **Property damage** means physical injury or damage to or destruction of tangible property. It also includes loss of use of property that has not been physically injured or damaged if the loss of use otherwise has been caused by an **occurrence**.
16. **Someone we protect** means any person or organization we protect by the policy other than **you**. It includes any of **your employees** (as defined in the policy) while acting within the scope of their employment by **you** and employees of **someone we protect** where an **occurrence** arises out of such employment activities. Provided, however, no employee is **someone we protect** with respect to:

- A. **Bodily injury or personal injury** to a co-employee while in the course or scope of his or her employment, or
- B. **Property damage** to property owned, occupied or rented by, or loaned to that employee or to any of your other employees.

The term also includes person(s) or organization(s) designated specifically as such by an endorsement to this policy and, unless designated specifically in Item 1 of the Coverage Identification Page, the term also includes:

- A. any of your executive officers, shareholders, managers or members while acting within the scope of his or her duties as such, if you are a corporation or limited liability organization; or
 - B. your spouse, if you are a proprietorship, but only with respect to liability arising out of your business operations; or
 - C. any of your partners or joint venturers, and their respective spouses, if you are a partnership or joint venture, but only with respect to liability arising out of your business operations; or
17. **We, us or our** means the insurance company named on the Coverage Identification Page.
18. **You and your** mean the person(s) or organization(s) named in Item 1 of the Coverage Identification Page under the heading "Named Insured," and any affiliated company. An affiliated company is any business organization owned in whole or in part by the person(s) or organizations(s) named in Item 1 of the Coverage Identification Page.

Part II. Insuring Agreements

Coverage A. Bodily Injury and Property Damage Liability

We agree to pay all sums which you or someone we protect becomes legally obligated to pay as damages because of **bodily injury** or **property damage** caused by an **occurrence** arising out of Hazard Divisions 1 through 5, as stated in your Coverage Identification Page and described below:

Hazard Division 1. Airport Operations. "Airport operations" refer to liability arising out of your ownership, maintenance, operation or use of the **airport**, and all of your operations at the **airport** necessary or incidental thereto, excluding liability arising out of goods or product manufacturing, sales, distribution or service operations performed by you, or otherwise arising out of any other Hazard Division.

Hazard Division 2. Products and Completed Operations.

1. Goods or products manufactured, sold, handled or distributed by you in connection with the ownership, maintenance, operation or use of the **airport** if the **occurrence** happens after possession of the goods or products has been relinquished by you to others; and
2. Service operations performed by you in connection with the ownership, maintenance, operation or use of the **airport** if the **occurrence** happens after the services have been completed or abandoned. Service operations will not be deemed incomplete because they are improperly or defectively performed or because further operations may be required pursuant to a service or maintenance agreement.

We only provide coverage for liability arising out of goods or products or service operations that are identified as covered classes in a "Hazard Description Schedule" attached to your policy.

Hazard Division 3. Independent Contractors. Liability arising out of ground operations at the **airport** performed by contractors for you or someone we protect. This includes any acts or omissions by you in connection with the general supervision of such operations.

~~**Hazard Division 4. Contractual Liability.** Liability expressly assumed by you or someone we protect under any written contract or agreement that arises out of the ownership, maintenance or use of the **airport**. Your policy applies only to contractual liability under agreements or contracts that are identified as covered agreements in a "Hazard Description Schedule" attached to your policy. Contractual liability will not be construed to include liability under any warranty of fitness, quality or merchantability of your products, any warranty that work performed by you or on your behalf will be performed in a workmanlike manner, or any liability that would apply to you or someone we protect without the contract or agreement.~~

Hazard Division 5. Fire Legal Liability. Liability for **property damage** to structures or portions thereof on the **airport**, that are not owned in whole or in part by you, leased or rented to or occupied by you, including any fixtures and improvements permanently attached thereof, if such **property damage** arises out of fire or explosion.

Coverage B. Hangarkeeper's Liability

We agree to pay all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **property damage** to **aircraft** which are the property of others and in **your** care, custody or control as a bailee, but only while the **aircraft** is not in flight.

Coverage C. Personal Injury Liability

We agree to pay all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **personal injury** committed during the policy period that arises directly or indirectly out of **your** operations at the airport.

Coverage D. Advertising Injury Liability

We agree to pay all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **advertising injury** committed during the policy period that arises directly or indirectly out of **your** operations at the airport.

Part III. Defense, Settlement and Supplementary Payments

We have the right and duty to defend any suit against **you** or **someone we protect** seeking damages because of **bodily injury, personal injury, advertising injury, or property damage** covered by this policy, even if any of the allegations of the suit are groundless, false or fraudulent. We will have no obligation to defend any suit or claims not covered by the policy. We may make any investigation and settlement of any claim or suit as we deem expedient. We will not be obligated to pay any expenses, claims or judgments or to defend any suit after the applicable limit of coverage has been exhausted by the payment of judgments or settlements.

We will pay, in addition to the applicable limit of coverage:

1. All of **our** expenses, and all costs taxed against **you** or **someone we protect** in any suit we are required to defend including:
 - A. Any prejudgment interest awarded against **you** or **someone we protect** on that part of the judgment we are required to pay under the terms of this policy;
 - B. All interest on the amount of any judgment that we are required to pay under the terms of this policy which accrues after the entry of the judgment and before we have paid, tendered or deposited the amount in court;
 - C. Any costs for arbitration alleging damages covered by this policy to which **you** or **someone we protect** must submit;
2. Premiums on bonds to release attachments in any suit defended by **us** for any amount not exceeding the applicable limit of coverage. However, we have no obligation to furnish any such bonds;
3. Premiums on appeal bonds required on any judgment we elect to appeal for any amount not exceeding the applicable limit of coverage, but we have no obligation to furnish any such bonds;
4. Expenses incurred by **you** or **someone we protect** for first aid, medical and surgical relief because of **bodily injury** at the time of an **occurrence**;
5. All reasonable expenses incurred by **you** or **someone we protect** at **our** request, including the loss of **your** or **someone we protect's** earnings, wages or salaries, or any **employee** thereof, not to exceed \$100 per day except to the extent as may be required otherwise under applicable state law;
6. All other expenses incurred by **you** or **someone we protect** that have been approved in advance by **us**.

We will also notify **you** of any offer to compromise or settle a claim made or suit brought against **you** or **someone we protect** under this policy. We will also notify **you** of the settlement of any claim made or suit brought against **you** or **someone we protect**. All such notices will be provided to **you** within any time limits required under applicable state law.

Part IV. Exclusions

This policy does not apply to claims for **bodily injury** or **property damage** described in the following paragraphs:

1. **Bodily injury** or **property damage** caused directly or indirectly by, happening through or as a consequence of:
 - A. any type of noise or vibration whatsoever (whether or not audible) including sonic boom and any phenomena associated therewith;
 - B. any type of pollutants, contaminants or waste of any kind or type whatsoever. "Pollutants" or "contaminants" include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, such as smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes materials to be recycled, reconditioned or reclaimed;
 - C. asbestos, exposure to asbestos, or any products containing asbestos;
 - D. any type of electrical and/or electromagnetic interference whatsoever;
 - E. any type of interference with the quiet enjoyment of or any other use of any property whatsoever.

However, Exclusion 1 above does not apply to any **occurrence** caused by or resulting in a crash, fire, explosion or collision or an **in flight** emergency causing abnormal **aircraft** operation; nor does 1.B above apply to an **occurrence** arising out of the contamination of goods or products covered under Hazard Division 2 of this policy.

Nothing contained in this section overrides any radioactive contamination or any other exclusion clause attached to or forming part of this policy.

2. Any claim, loss, damage, cost or expense arising out of any direction or request that **you** or **someone we protect** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, contaminants or waste, including any type of asbestos or asbestos-related products.
3. Assault and battery if committed by or at the direction of **you** or **someone we protect**. However, this exclusion does not apply if the assault and battery is committed for the purpose of preventing or eliminating danger in the operation of the **airport** or an **aircraft**, or for the purpose of preventing **bodily injury** or **property damage** covered by this policy.
4. **Bodily injury** to **you** or **someone we protect**. However, this exclusion does not apply to liability assumed in a contract covered under Hazard Division 4. "Contractual Liability."
5. **Bodily injury** or **property damage** arising out of the manufacture, distribution, sale or service of alcoholic beverages by **you** or **someone we protect**.
6. **Property damage** to any property owned by, leased or rented to or occupied by **you** or **someone we protect** except with respect to liability under Coverage A. Hazard Division 5. "Fire Legal Liability."
7. **Property damage** to any property in **your** care, custody or control, or in the care, custody or control of **someone we protect**, for the purposes of sale, storage, safekeeping or for the purpose having operations performed on such property. However, this exclusion does not apply to any **aircraft** covered under Coverage B. "Hangarkeeper's Liability."
8. Except with respect to **aircraft** covered under Coverage B, "Hangarkeeper's Liability," or liability arising under Coverage A. Hazard Division 2. "Products and Completed Operations," or a written sidetrack agreement or arising out of the use of elevators or escalators, **property damage** to:
 - A. Tools or equipment while being used by **you** or **someone we protect** in performing operations; or
 - B. Property in the custody of **you** or **someone we protect** which is to be installed, erected or used in construction by **you** or **someone we protect**; or
 - C. Property not located on the **airport**.
9. **Bodily injury** or **property damage** arising out of the operation, maintenance, use, loading or unloading of any **aircraft** by or on behalf of **you** or **someone we protect**. This exclusion does not apply to any **aircraft** not owned or leased by **you** or **someone we protect** when such control is solely ground traffic control over the ground movement of such **aircraft**. This exclusion also does not apply to **property damage** to an **aircraft** covered under Coverage B, "Hangarkeeper's Liability."
10. **Bodily injury** or **property damage** caused by or arising out of:
 - A. Any **auto** owned or operated by or on behalf of **you** or **someone we protect** while off the **airport** unless responding to any **aircraft** or aviation emergency; or

- B. Any ships, vessels, craft or boats owned, chartered, used or operated by or on account of **you** or **someone we protect**, unless the **occurrence** happens on the **airport** or unless responding to any **aircraft** or aviation emergency. However, this exclusion does not apply to watercraft under 26 feet in length that are used in connection with the **airport** and are not owned by **you** or **someone we protect**; or
 - C. The conduct of any air meet, contest or similar outdoor exhibition permitted, sponsored or participated in by **you** or **someone we protect**, but this exclusion does not apply to the static ground display of **aircraft**; or
 - D. **Aircraft traffic control services** by an **aircraft traffic control tower** unless solely operated by the **FAA** or United States Military or an entity, other than **you** or **someone we protect**, under contract directly with the **FAA** or United States Military to provide **aircraft traffic control services**; or
 - E. The ownership, maintenance or use of:
 - (i) grandstands, bleachers or observation platforms other than observation decks or promenades which are part of permanent structures on the **airport**, or
 - (ii) swimming pools, or
 - (iii) lodging accommodations for the general public, or
 - (iv) any type of school other than schools operated by **you** which are incidental to **your airport** operations.
 - F. Restaurants operated by **you**, **someone we protect** or by others trading under **your** name, caused by goods or products manufactured, sold, handled or distributed by **you** or by others trading under **your** name after possession of such goods or products has been relinquished to others;
11. Damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of **your** products or work completed by or for **you** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
12. **Bodily injury or property damage** resulting from:
- A. A delay in or lack of performance by **you** or on **your** behalf of any contract or agreement, or
 - B. The failure of **your** products or work completed by or for **you** to perform the function or serve the purpose intended by **you**, including a mistake or deficiency in any design, formula, plan, specification, advertising material or printed instruction prepared or developed by **you** or **someone we protect**;
- But this exclusion does not apply to **bodily injury or property damage** resulting from the actual malfunctioning or failure of such products or work;
13. Under Coverage A, Hazard Division 4, "Contractual Liability":
- A. If **you** or **someone we protect**, or indemnitee thereof, is an architect, engineer or surveyor, to **bodily injury or property damage** arising out of any professional services performed by **you**, **someone we protect**, or indemnitee thereof;
 - B. **Property damage** to:
 - (i) property owned by, occupied by, leased by or rented to **you** or **someone we protect**;
 - (ii) property used by **you** or **someone we protect**;
 - (iii) property in the care, custody or control of **you** or **someone we protect** or as to which **you** or **someone we protect** is for any purpose exercising physical control.
14. Under Coverage A, Hazard Division 2, "Products and Completed Operations":
- A. **Property damage** to **your** products arising out of any such products or any part of such products; or
 - B. **Property damage** to work performed by **you** or on **your** behalf arising out of the work performed, or any portion thereof, or out of materials, parts or equipment furnished in connection with such work.
15. Under Coverage B, "Hangarkeeper's Liability":
- A. **Property damage** to robes, wearing apparel, personal effects or merchandise of any description, whether or not the **aircraft** in which they are contained is stolen or damaged;
 - B. **Property damage** to any **aircraft** owned by, hired by or loaned to **you** or **someone we protect**, or any family member thereof; or
 - C. **Property damage** to any material furnished by **you** or any work done by **you** out of which the **occurrence** arises;

16. Liability excluded by any attached "War, Hijacking and Other Perils Exclusion Endorsement" made a part of this policy;
17. Liability excluded by any attached "Nuclear Incident Exclusion Endorsement" made a part of this policy;
18. Under Coverage C, "Personal Injury Liability" or Coverage D, "Advertising Injury Liability," liability for:
 - A. Any injury if the first injurious publication or utterance of the same or similar material was made prior to the effective date of this policy;
 - B. Any injury if the publication or utterance was made by or at the direction of **you** or **someone we protect** with the knowledge of its false nature;
 - C. Any injury caused by breach of contract, other than misappropriation of advertising ideas under an implied contract;
 - D. Any injury caused by the failure of goods, products or services to conform to the advertised quality or performance of such goods, products or services;
 - E. Any injury caused by the wrong description of the price of goods, products or services;
 - F. Any offense committed by **you** or **someone we protect**, or any indemnitee thereof, whose business is advertising, broadcasting, publishing or telecasting;

Part V. Conditions

1. Policy Period and Territory

This policy applies only to **occurrences** that happen during the policy period anywhere in the world.

2. Inspection and Audit

We or **our** authorized representatives will be permitted, but not obligated, to inspect **your** property and operations at any reasonable time. Neither **our** right to make inspections nor the making thereof nor any report thereon constitutes an undertaking, on behalf of or for the benefit of **you** or others, to determine or warrant that such property or operations are safe or fit for any purpose.

We or **our** authorized representatives may examine or audit **your** books and records at any time during the policy period and extensions thereof, any time they are the subject of an open claim and, within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. Your Duties in the Event Of Occurrence, Claim or Suit

- A. In the event of an **occurrence**, written notice containing particulars sufficient to identify **you** or **someone we protect** and also any reasonably obtainable information with respect to the time, place, circumstances, and if known, the names and addresses of any injured persons or witnesses, will be given by or for **you** or **someone we protect** to **us** or **our** authorized representatives as soon as possible. **You** will promptly take, at **your** own expense, all reasonable steps to prevent other **bodily injury**, **property damage** or other injury from arising out of the same or similar conditions and such expense will not be recoverable under this policy.
- B. If claim is made or suit is brought against **you** or **someone we protect**, **you** or **someone we protect** will promptly forward to **us** or **our** authorized representatives every demand, notice, summons or other process received by **you** or **someone we protect**, or by **your** or **someone we protect's** representative.
- C. **You** or **someone we protect** will cooperate with **us** and, upon **our** request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** or **someone we protect** for damages for which insurance is afforded under this policy. Neither **you** nor **someone we protect** will do anything after a loss to prejudice **our** right of recovery. **You** or **someone we protect** will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. **You** or **someone we protect** will not, except at **your** or **their** own cost, voluntarily make any payment, assume any obligation or liability or incur any expense other than first aid to others at the time of the **occurrence**.

However, **we** agree that **your** failure or the failure of **someone we protect** to promptly give **us** notice of an **occurrence**, claim made or suit brought against either **you** nor **someone we protect**, or to forward to **us** or **our** authorized representatives every demand, notice, summons or other process received by **you** or **someone we protect**, will not operate to invalidate the coverage provided by **your** policy so long as such failure does not cause material prejudice to **us** in the defense or other handling of such claim or suit.

4. **Limit of Coverage**

Regardless of the coverage(s) provided by this policy, or the number of claims or claimants, or persons or organizations protected by this policy, the most we will pay with respect to all claims for loss or damage with respect to any one occurrence is the "Total Policy Coverage Limit" stated in the Coverage Identification Page as applicable to "each occurrence."

Coverage A. Bodily Injury and Property Damage Liability

Subject to the foregoing Total Policy Coverage Limit, the most we will pay with respect to all claims for loss or damage because of **bodily injury** and **property damage** as the result of any one occurrence is the limit of coverage stated in the Coverage Identification Page with respect to Coverage A, as applicable to "each occurrence."

Subject to the above provision respecting "each occurrence," the most we will pay with respect to all claims for loss or damage because of all **bodily injury** sustained by any one person as the result of any one occurrence during the policy period will not exceed any limit stated in the Coverage Identification Page for "each person."

Subject to the above provisions respecting "each occurrence" and "each person" the most we will pay with respect to all claims for loss or damage because of all **occurrences** occurring during any policy period with respect to Hazard Division 2, "Products and Completed Operations," will not exceed any limit stated in the Coverage Identification Page for "annual aggregate."

The limit of coverage for Coverage A is a part of and not in addition to the Total Policy Coverage Limit.

Coverage B. Hangarkeeper's Liability

The limit of coverage stated in the Coverage Identification Page with respect to Coverage B, as applicable to "each aircraft," is the most we will pay with respect to all claims for loss or damage because of **property damage** to any one aircraft.

Subject to the above provision respecting "each aircraft," the most we will pay with respect to all claims for loss or damage on account of all **property damage** to all aircraft in any one occurrence will not exceed the limit stated in Coverage Identification Page for "each occurrence."

The limit of coverage shown for Coverage B, if any, is a part of and not in addition to the Total Policy Coverage Limit.

Coverage C and D. Personal Injury Liability and Advertising Injury Liability

The limit of coverage stated in the Coverage Identification Page in respect of Coverage C and D as applicable to "each occurrence" is the most we will pay for all damages because of any one occurrence as defined for Coverage C and D.

Subject to the above provision respecting "each occurrence" the most we will pay for all damages on account of all **occurrences** occurring during any policy period of insurance will not exceed any limit stated in the Coverage Identification Page as "annual aggregate."

The limit of coverage shown, if any, for Coverage C and Coverage D is a part of and not in addition to the Total Policy Coverage Limit.

5. **Deductibles**

Coverage A, C and D

Notwithstanding our limit of coverage shown in Item 6 of the Coverage Identification Page, and further described in Condition 5, you will be responsible for the payment of the amount specified in Item 7 of the Coverage Identification Page as the deductible amount for "each occurrence" and/or as "annual aggregate." Our obligation to make payment on behalf of you or someone we protect applies only to the sums in excess of the deductible amount. In no event will you be required to pay more than the amount specified in Item 7 of the Coverage Identification Page as "annual aggregate" (if shown) with respect to all losses arising during any policy period of insurance.

We may pay part or all of any deductible amount to effect settlement of any claim and upon notification of the action taken, you agree to promptly reimburse us for that part of any deductible amount paid by us.

All the terms of this policy, including those with respect to notice of occurrence and our right to investigate, negotiate or settle any claim or suit, apply regardless of the application of any deductible amount.

Coverage B. Hangarkeeper's Liability

Notwithstanding our limit of coverage shown in Item 6 of the Coverage Identification Page for Coverage B, "Hangarkeeper's Liability," if any, you will be responsible for the payment of the amount specified in Item 6 of the Coverage Identification Page as the deductible amount for "each occurrence." Our obligation to make payment on behalf of you or someone we protect applies only to the sums in excess of the deductible amount.

We may pay part or all of any deductible amount to effect settlement of any claim and upon notification of the action taken, you agree to promptly reimburse us for that part of any deductible amount paid by us.

6. **Separate Insureds**

You and someone we protect are protected separately. However, none of the provisions, terms, conditions and exclusions of the policy change by virtue of this protection and the limits of coverage shown on the Coverage Identification Page do not increase regardless of (a) the number of the entities or persons protected by the policy, (b) the number of claims or (c) the number of claimants as the result of any one **occurrence**.

7. **Action Against Us**

No suit or action on this policy against **us** for recovery of any loss or claim will be sustained in a court of law or equity unless **you** or **someone we protect** has fully complied with all the terms of this policy, nor until the amount of **your** or **someone we protect's** obligation to pay has been finally determined either by judgment after actual trial or by a written agreement between **you** or **someone we protect**, the claimant and **us**.

Any person or organization or their legal representative who has secured such judgment or written agreement will be entitled to recover under this policy to the extent of the insurance afforded. Nothing contained in this policy will give any person or organization any right to join **us** as co-defendant nor will **we** be impleaded by **you** or **someone we protect** or any legal representative thereof in any action to determine **your** or **someone we protect's** liability.

Death, bankruptcy or insolvency of **you** or **someone we protect**, or of **your** or **someone we protect's** estate, will not relieve **us** of any of **our** obligations under this policy.

8. **Our Right To Recover From Others**

If **we** make any payment under this policy for any expense, loss, damage or liability, **we** will be subrogated to all the rights and remedies that **you** or **someone we protect** may have against any party as respects such payment and, at **our** own expense, **we** will be entitled to sue in **your** name or the name of **someone we protect**. **You** or **someone we protect** will give **us** any assistance **we** may reasonably require to secure these rights and remedies. At **our** request, **you** or **someone we protect** agree to execute any documents necessary to enable **us** to bring suit in **your** name or the name of **someone we protect**. **You** or **someone we protect** agree to do nothing after a loss to harm **our** right of recovery.

9. **Other Insurance**

With respect to liability arising under Coverage A, "Bodily Injury and Property Damage Liability," for newly acquired airport(s) and/or premises not designated in the Coverage Identification Page, the insurance coverage provided by this policy is excess insurance over any valid and collectible insurance available to **you** or **someone we protect**, including any formal self insurance program, until such airport(s) and/or premises are designated in an endorsement to the policy.

With respect to construction projects which are the subject of specific contractor's liability insurance for **your** benefit or the benefit of **someone we protect**, and liability arising from the use of autos, the insurance provided by this policy is excess insurance over any valid and collectible insurance available to **you** or **someone we protect**, including any formal self insurance program.

Otherwise, the insurance provided by this policy is primary insurance unless it is stated to apply in excess or contingent upon the absence of other insurance. When this insurance is primary and **you** or **someone we protect** has other insurance that is stated to be applicable to a loss on an excess or contingent basis, the amount **we** will pay under this policy will not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to a loss on the same basis, whether primary, excess or contingent, **we** will not pay under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- A. **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, **we** will not pay for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest limit of coverage under any one policy or the full amount of the loss is paid. With respect to any amount of loss not so paid, the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each insurer has paid its limit in full or the full amount of the loss has been paid.
- B. **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, **we** will not pay for a greater proportion of such loss than the applicable limit of coverage under this policy for such loss bears to the applicable limit of coverage under all such other valid and collectible insurance against such loss.

10. **Changes to Your Policy**

Notice to any agent or knowledge possessed by any agent or by any other person will not effect a waiver or change in any part of this policy or estop us from asserting any rights under the terms of this policy; nor will the terms of this policy be waived or changed, except by written endorsement issued by our **Aviation Managers**.

11. **Assignment**

Assignment of interest under this policy will not bind us until our consent is endorsed onto this policy.

12. **Sole Agent**

For the purpose of issuing notices, reports or instructions, for the cancellation of this policy, altering this policy, agreeing upon settlement of losses, receiving or receipting payment of claims, or for making premium adjustments, the first named insured shown in the Coverage Identification Page is the sole and irrevocable agent of each person or organization covered by this policy.

13. **Fraud or Misrepresentation**

This policy will be void if you or someone we protect has deliberately concealed or misrepresented any material fact or circumstance in obtaining this insurance, or in the case of any fraud, attempted fraud or false swearing by you or someone we protect touching any material matter relating to this insurance after a loss.

14. **Unintentional Errors and Omissions**

Your failure to disclose all hazards existing as of the inception date of the policy, or improper, or inaccurate, or wrong descriptions of premises, products, contracts or other information will not invalidate or in any way affect the coverage afforded by this policy provided such failure, error or omission is not intentional and once discovered, you notify us or our **Aviation Managers** as soon as possible.

15. **Cancellation and Non-Renewal of This Policy**

Cancellation - This policy may be canceled by you by mailing prior written notice to us or our **Aviation Managers** stating when the cancellation will be effective. This policy may be canceled by us or our **Aviation Managers** by mailing to the first named insured at the first address shown in Item 1 of the Coverage Identification Page stating when, not less than thirty (30) days thereafter, the cancellation will be effective. However, only ten (10) days prior notice will be provided if the cancellation is for non-payment of any premium due. The effective date and hour of cancellation stated in the notice will become the end of the policy period.

If you cancel the policy, we will refund 90% of the unearned premium you have paid. If we cancel, unearned premium will be computed on a pro-rata basis. Premium adjustment may be made either at the time cancellation becomes effective or shortly thereafter, but the payment or tender of unearned premium by us is not a condition required for the cancellation to be effective.

Non-renewal or Material Change - We or our **Aviation Managers** will mail written notice to the first named insured at least forty-five (45) days prior to the expiration date of this policy in the event we decide not to renew this policy or forty-five (45) days prior to any material change in any policy condition or limit of coverage.

The proof of mailing or delivering notice of non-renewal, cancellation or change by us or our **Aviation Managers** to the first named insured shown on the Coverage Identification Page will be sufficient proof of notice to all persons or organizations covered by this policy.

16. **Knowledge of Occurrence**

It is agreed that knowledge of an **occurrence** by an agent, servant or employee of yours or someone we protect will not in itself constitute knowledge by you or someone we protect unless such notice has been received by your insurance administrator.

17. **Inadvertent Failure to Report**

Notwithstanding any other provisions of this policy, inadvertent errors or omissions and/or failure in furnishing information, notification or reports required will not prejudice the coverage afforded by this policy provided you notify us once the error or omission is discovered.

NOTICE OF PRIVACY POLICY

Hallmark American Insurance Company

Hallmark American Insurance Company is committed to providing insurance and annuity products and services designed to meet your needs. We are equally committed to respecting your privacy and protecting the information about you that we may receive. We have prepared this notice to advise you what information we collect, how we use it and how we protect it.

What Information We Collect

As an essential part of our business, we obtain certain personal information about you in order to provide a financial product or service to you. Some of the information we receive comes directly from you on applications or other forms, and may include information you provide during visits to our Web site. We may also receive information from physicians, testing laboratories and other health providers, and from consumer reporting agencies. The types of information we receive may include addresses, social security numbers, family information, current and past medical history and financial information, including information about transactions with other financial institutions. Such information may, in certain circumstances, properly be obtained without further notice to or authorization from you.

What Information We Disclose

We do not disclose nonpublic personal information about our current or former customers to any nonaffiliated entity, except as permitted by law. Examples of the disclosures which we are permitted by law to make include: disclosures necessary to service or administer an insurance or annuity product that you requested or authorized; disclosures made with your consent or at your direction; disclosures made to your legal representative; disclosures made in response to a subpoena or an inquiry from an insurance or other regulatory authority; disclosures made to comply with federal, state or local laws and to protect against fraud. Where permitted by law, such disclosures may be made without further notice to or authorization from you.

Our Privacy Protection Procedures

We protect information about you from unauthorized access. For example we employ secure technologies in order to safeguard transmission of information about you through our web sites. Access to information about you is restricted to those individuals that need such information in order to provide products and services to you. Examples of activities requiring access to personal information include: underwriting; claims processing; reinsurance and policyholder service. Our employees and agents receive training regarding our privacy policies and violators are subject to disciplinary action. Finally, we have established and maintain procedures to comply with all state and federal laws and regulations regarding the security of personal information.

This Notice has been provided to you in compliance with the Financial Services Modernization Act of 1999, U.S. Pub. L. 106-102, 116 U.S. Stat. 1336, for information purposes only. No action is required on your part.